Supreme Court, U.S.
FILED

Case No. 00 1296 FEB 7 - 2001

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 2000

HUNT MANUFACTURING CO.,

Petitioner,

v.

FISKARS, INC. and FISKARS OY AB,

Repondents.

On Petition For a Writ of Certiorari to The
United States Court of Appeals
For the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether prosecution history estoppel applies, as a matter of law, to a patent claim amendment when the district court's uncontested factual finding is that the evidence, both intrinsic and extrinsic, fails to explain why the claim amendment was made.

2. Whether, in view of the Court of Appeals en banc decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 234 F.3d 558 (Fed. Cir. 2000), it is an error of law for a court to hold that a claim amendment, made in response to a prior art rejection, does not create prosecution history estoppel based exclusively on a conclusion that the added claim element does not distinguish the prior art.

PARTIES TO THE PROCEEDING

Pursuant to Rule 29.6, Hunt states that it has no parent company and no domestic non-wholly owned subsidiaries with publicly traded shares.

Joseph F. Posillico, Esq. was a party appellant in the case below on an issue unrelated to this petition.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner Hunt Manufacturing Co. ("Hunt") respectfully prays that this Court issue a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit, dated July 24, 2000. The question presented is a purely legal one. Because the Court of Appeals' decision is so clearly erroneous, this case is appropriate for summary reversal. At a minimum, the decision should be vacated and remanded for further proceedings in view of the Federal Circuit's subsequent en banc decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 234 F.3d 558 (Fed. Cir. 2000).

OPINIONS BELOW

The opinion of the Court of Appeals (App.1a - 20a) is reported at 221 F.3d 1318 (hereinafter "the Panel Decision"). The opinion of the district court on summary judgment (App. 21a - 54a) is not reported.

JURISDICTION

The judgment of the court of appeals was entered on July 24, 2000. (App. 1a). A timely petition for rehearing was denied on October 10, 2000. App. 57a - 58a. On October 16, 2000, the Chief Justice extended the time within which to file a petition for writ of certiorari to and including February 7, 2001. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254 (1).

STATEMENT

A. The Devices at Issue

Hunt and Fiskars, Inc. ("Fiskars") compete in the field of manually operated paper cutting devices. Both Hunt and Fiskars manufacture a cutter having a thin, disc-shaped blade which is pressed against the paper and allowed to rotate as it cuts. App. 21a - 22a. Such cutters are referred to as "rotary cutters."

In both Hunt's and Fiskars' cutters, the blade is held perpendicular to the paper and allowed to rotate on an axle housed in a carriage as the carriage is manually pulled by the user across the paper. The carriage slides along a rail positioned above the paper. *Id.*

Both devices hold the cutting blade in a position above

the paper when the cutter is not in use. The present dispute arises on account of the different mechanisms used to keep the blade above the paper.

Fiskars' device uses a spring between the carriage and the rail to keep the entire carriage assembly above the paper. App. 26a; *see also* App. 2a - 3a. A person uses Fiskars' device by pushing the entire carriage assembly down onto the paper (compressing the spring) and then pulling the carriage along the rail to cut the paper. App. 26a; *see also* App. 2a - 3a. The axle and blade of Fiskars' cutter do not move up or down within the carriage; only the carriage moves up and down. App. 26a; *see also* App. 2a - 3a.

Hunt's device uses a carriage which does not move up or down. Instead, the axle is allowed to move up and down inside the carriage. App. 29a - 31a ; *see also* App. 4a -5a. A spring keeps the axle and the blade in the carriage and above the paper when the device is not in use. App. 29a - 31a. A person using Hunt's cutter presses down on a handle attached to the axle to expose the blade and to press it against the paper. *Id.* The blade retracts back into the carriage when the user releases the handle. *Id.*

B. Prosecution of Respondent's Patent

Fiskars' initial efforts to obtain a patent met with rejection at the U.S. Patent and Trademark Office (PTO). Claim 1 as originally filed covered any cutting device which had a spring-type mechanism for keeping the cutting blade above the paper. App. 33a - 36a. The PTO Examiner

concluded that the claim was not patentable over the prior art. *Id.*

The primary basis for the Examiner's rejection was the prior art "Mori patent." *Id.* The Mori patent disclosed a carriage assembly which did not move up or down on the support arm, but which did have a blade that moved up and down within the carriage. *Id.* at 31a - 32a.

Fiskars responded to the PTO rejection by replacing the claim's original requirement of a spring-type device for holding the "**cutting blade** to an inoperative position" with the narrower requirement of a spring-type device for holding the "**carriage assembly** to an inoperative position." *Id.* at 36a (emphasis added). In the remarks accompanying the amendment, Fiskars noted that claim 1, as amended, called for a "carriage assembly . . . which is biased to an inoperative position on the rail assembly." *Id.* at 59a (page A0257, ll. 18 - 20 from the prosecution history of the Fiskars patent).

C. District Court Proceedings

Prior to trial, Hunt moved for summary judgment that the Hunt device did not infringe the Fiskars patent, either literally or under the doctrine of equivalents. App. 21a.

The district court held that the Hunt device did not have any mechanism to hold the entire carriage assembly off the paper and that therefore it did not literally infringe the Fiskars' patent.[1] App. 46a - 47a. This judgment was not appealed by

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[1] The district court ruled on literal infringement only with respect to claims 8 and 9 because Fiskars had withdrawn all

Fiskars. App. 5a.

With respect to the doctrine of equivalents, Hunt had sought summary judgment that prosecution history estoppel barred infringement. The district court denied this aspect of Hunt's motion.

In considering Hunt's summary judgment motion, the district court evaluated the prosecution history of the Fiskars patent and concluded that "[t]his patent history gives no indication why plaintiffs amended claim 1 by substituting 'carriage assembly' for 'cutting blade.'" App. 50a. Furthermore, after evaluating the extrinsic evidence submitted by Fiskars, the district court observed an "inability" on Fiskars' part to "to demonstrate exactly why they adopted this amendment . . . ." App. 52a.

Hunt argued that, according to the ruling of this Court in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997), such an unexplained amendment gives rise, as a matter of law, to a presumption that the amendment was made for a purpose relating to patentability. Although the district court acknowledged this Court's ruling, it expressly refused to presume that the amendment was made for a purpose relating to patentability:

> Because the patent record provides no explanation for the amendment, defendant contends that estoppel should be presumed under Warner-Jenkinson. I am not so certain. . . .
>
> It is questionable whether the presumption

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other allegations of literal infringement. App. 40a.

> should be triggered by an amendment so detached from the objections of the patent examiner as is the case here.

App. 51a.

With these comments, the district court refused to apply the presumption mandated by this Court in *Warner-Jenkinson*.

Furthermore, the district court ignored this Court's ruling on the type of proof required to rebut the presumption. The district court held that the presumption, even if it did exist, was rebutted by the court's finding that the amendment "did not relate to patentability," notwithstanding that the patentee could provide no affirmative reason why the amendment was made. App. 51a - 52a.

The issue of infringement under the doctrine of equivalents was then tried to a jury. The verdict was for Fiskars, and the court entered judgment on the verdict.

D. Court of Appeals Decision

On appeal, a three judge panel of the Federal Circuit affirmed the district court's rulings. App. 1a - 20a. After repeating the arguments made by the parties to the district court (App. 5a - 6a), the Panel devoted only two paragraphs to addressing the question of prosecution history estoppel respecting the carriage assembly amendments, stating "[w]e discern no reversible error in the district court's conclusion." App. 6a - 7a.

REASONS FOR GRANTING THE WRIT

I. Certiorari Is Necessary to Confirm That the *Warner-Jenkinson* Presumption Is Mandatory When the Reason for the Amendment Remains Unknown

This is not an ordinary patent case. It involves the refusal of the Federal Circuit to follow Supreme Court precedent on one of the most fundamental questions of patent law: how far beyond its literal scope can a patent reach to provide protection against infringement? This Court in *Warner-Jenkinson* answered this question by crafting a carefully balanced analytical framework which gives effect to "the definitional and public-notice functions of the statutory claiming requirement" when infringement is asserted under the doctrine of equivalents. *Warner-Jenkinson*, 520 U.S. at 29.

Twenty years of Federal Circuit jurisprudence have highlighted the importance of the public-notice function of the statutory claiming requirement. As stated by the Federal Circuit majority in *Festo*:

> Our decision to reject the flexible bar approach adopted in [prior precedent] comes after nearly twenty years of experience in performing our role as the sole court of appeals for patent matters. In those years, the notice function of patent claims has become paramount, and the need for certainty as to the scope of patent protection has been emphasized.

Festo, 234 F.3d at 574 - 75.

The doctrine of prosecution history estoppel, when properly applied, serves the important function of protecting

the definitional and public-notice aspects of the patent law from an over-expansion of the doctrine of equivalents. *Festo*, 234 F.3d at 564 ("[p]rosecution history estoppel is one tool that prevents the doctrine of equivalents from vitiating the notice function of claims").

It is clear, therefore, that this Court constructed the analytical framework in *Warner-Jenkinson* as an answer to "the problem of . . . what to do in a case like the one at bar, where the record seems not to reveal the reason for including [the claim limitation added by amendment]." *Warner-Jenkinson*, 520 U.S. at 33. This Court solved the problem of unexplained amendments by imposing burdens on the patentee and requiring the court to make certain presumptions if those burdens are not met. More particularly, this Court held:

> Mindful that claims do indeed serve both a definitional and a notice function, we think the better rule is to place the burden on the patent holder to establish **the reason for an amendment** required during patent prosecution. The court then would decide whether **that reason** is sufficient to overcome prosecution history estoppel as a bar to application of the doctrine of equivalents to the element added by that amendment. Where no **explanation** is established, however, the court should presume that the patent applicant had a substantial reason related to patentability for including the limiting element added by amendment. In those circumstances, prosecution history estoppel would bar the application of the doctrine of equivalents as to that element. The presumption

> we have described, one subject to rebuttal if **an appropriate reason** for a required amendment is established, gives proper deference to the role of claims in defining an invention and providing public notice, and to the primacy of the PTO in ensuring that the claims allowed cover only subject matter that is properly patentable in a proffered patent application.

Id. at 33 - 34 (emphasis added).

The Supreme Court thus established that all conclusions concerning the scope of prosecution history estoppel should be based on an understanding by the court of the reason for the amendment. Because the patentee is clearly in the best position to provide this understanding, this Court placed the burden of explaining amendments squarely on the patentee. The *Warner-Jenkinson* presumption, if properly applied, ensures that the consequences of an ambiguity fall on the patentee, who is in a position to prevent the ambiguity, and not on members of the public, who must rely on the record made by the patentee to determine the reason for an amendment.

If a patentee is unable to provide a viable reason for the amendment, then the court is not in any position to assess whether the reason "is sufficient to overcome prosecution history estoppel." *Id.* Therefore, if the reason for an amendment remains unknown, then the presumption of a reason relating to patentability is unrebutted and prosecution history estoppel applies as a matter of law.

This Court's instructions regarding the presumption were effectively ignored by both the district court and the Federal Circuit. After considering the prosecution history of the

Fiskars patent and the inventor's litigation-induced explanation for the amendment, the district court unequivocally held that Fiskars was "unable to come up with evidence explaining why they amended claim 1 by substituting 'carriage assembly' for 'cutting blade.'" App. 52a. Fiskars did not ask the Federal Circuit to review this finding, and the Federal Circuit did not do so.

Since the carriage assembly amendment remains unexplained, this Court's ruling in *Warner-Jenkinson* permits only one result - application of the doctrine of prosecution history estoppel. The Federal Circuit's refusal to apply the presumption is clearly erroneous.

The Federal Circuit clearly understood this Court's decision in *Warner-Jenkinson* to require evidence of "an appropriate reason for the required amendment" in order to rebut the presumption of patentable purpose. App. 7a. Nevertheless, the Panel's decision used a perceived **absence of a reason** for the amendment as an acceptable substitute for evidence of "an appropriate reason."

The Panel's approach has been rejected by this Court. The Panel Decision is based on the premise that the **absence** of a reason is equivalent to finding "an appropriate reason" for the amendment. This premise was expressly rejected by this Court:

> In our view, holding that certain reasons for a claim amendment may avoid the application of prosecution history estoppel is not tantamount to holding that the *absence* of a reason for an amendment may similarly avoid such an estoppel.

Warner-Jenkinson, 520 U.S. at 33 (emphasis in original).

The Supreme Court's rejection of the approach taken by the Appeals Court is absolutely necessary if the Supreme Court's ruling is to have meaning. In *Warner-Jenkinson*, the Court considered a claim that had been amended to require a pH of "approximately 6.0 to 9.0." *Id.* at 32. The Court concluded that "the reason for adding the lower limit of 6.0 is unclear," noting that:

> The lower limit certainly did not serve to distinguish the Booth patent, which said nothing about pH levels below 6.0.

Id.

Precisely because the amendment did not "serve to distinguish" the prior art, the "case at bar" in *Warner-Jenkinson* was one of those cases in which the reason for the amendment was not revealed by the prosecution history record. The Supreme Court's ruling was clear - in such a case the amendment is presumed to have been made for a purpose relating to patentability. The *Warner-Jenkinson* presumption thus arises from the fact that the claim amendment had no apparent purpose, including an apparent inability to distinguish the claims over the prior art cited by the Examiner.

The Federal Circuit's purported justification for not applying prosecution history estoppel in the present case is logically inconsistent with the premise of the *Warner-Jenkinson* decision. The district court and the Federal Circuit held that the presumption could be rebutted by the same fact that gave rise to the *Warner-Jenkinson* presumption in the first place.

The Federal Circuit affirmed the district court's decision as follows:

> The district court found that the amendment

> substituting "carriage assembly" for "cutting blade" was not directed to distinguishing the claims from the cited references, and thus that the amendment was not made for reasons of patentability. *See Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 33, 117 S.Ct. 1040, 137 L.Ed.2d 146, 41 USPQ2d 1865, 1873 (1997) (the presumption that an amendment was made for reasons of patentability is "subject to rebuttal if an appropriate reason for a required amendment is established.") We discern no reversible error in the district court's conclusion.

App. 6a - 7a. Thus, the Federal Circuit held that the presumption of patentable purpose was rebutted by the fact that the claim amendment did not distinguish the prior art. This was precisely the same fact that caused this Court to create the *Warner-Jenkinson* presumption.

This result, if allowed to stand, would be a death knell to a consistent and predictable application of the *Warner-Jenkinson* presumption. The Supreme Court held that the presumption was subject to rebuttal by evidence of "an appropriate reason" for the amendment. *Warner-Jenkinson*, 520 U.S. at 33. It would be inimical to the purpose of the rule to allow the presumption to be rebutted by the very same fact which gave rise to the presumption in the first place. The law of prosecution history estoppel should not be allowed to exist in such a confused state.

As this Court has recognized, the doctrine of prosecution history estoppel serves the important role of ensuring that the doctrine of equivalents does not negate the

public-notice policies of the patent statute. The Federal Circuit's decision, if allowed to stand, would do substantial harm to the public-notice function of statutory claiming.

In order to ensure that a new product resides in a safe harbor relative to the patents of others, competitor's operating under the Supreme Court's framework would attempt to determine what subject matter was surrendered by a patent applicant by looking to the reason an amendment was made. The premise of this evaluation is that patent applicants, like all other rational persons, take actions for a reason. The Supreme Court's framework focuses on a search for a reason for the amendment based on the simple premise that such a reason must exist.[2] This reason for the amendment would then provide a logical basis for determining the bounds of the safe harbor.

The identification of the safe harbor is of critical importance to the design of new products which can properly compete with the patented device. Such design-around activity has long been held to be a primary benefit of the patent system in this country.

Under the analysis used in the Panel Decision, however, competitors would have to confront a world in which amendments are made without any apparent purpose. No

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[2] The Federal Circuit's predecessor court recognized that "applicant's ultimate goal in submitting amendments and arguments in support thereof is the securing of a patent . . .") *Celeco Indus., Inc. v. United States Int'l Trade Comm'n*, 573 F.2d 1247, 1258 (C.C.P.A. 1978) (prosecution history estoppel can be created by admission as well as by amendment).

valuable guidance for the real world can be derived from an analysis which permits such an unrealistic result.

Moreover, the approach used in the Panel Decision will encourage ambiguity in patent prosecution; in contrast, a strict adherence to the Supreme Court's approach will discourage ambiguity in patent prosecution and serve to enhance the public-notice function of statutory claiming. This contrast in result derives from the fact that patent applicants are uniquely suited to make the reason for their amendments known at the time the amendment is made.

If a patent applicant is aware that an unexplained amendment will be presumed to create an estoppel (as with the holding *in Warner-Jenkinson*), then the applicant has no reason to leave the amendment unexplained. On the other hand, if the approach used in the Panel Decision is allowed to stand, a patent applicant will benefit from an ambiguous record which hides the true purpose of an amendment. By creating an ambiguous record, a patent applicant would preserve the option of arguing during litigation that the unexplained amendment did not have a purpose relating to patentability, thereby avoiding prosecution history estoppel.

The Panel Decision would effectively eviscerate the *Warner-Jenkinson* presumption and visit devastating harm on the delicate balance of competing policies carefully accommodated by the Supreme Court's analytical framework. For this reason alone, certiorari should be granted.

II. The Panel Decision is Contrary to the Federal Circuit's En Banc Decision in *Festo*

The Panel Decision refuses to apply prosecution history estoppel to the carriage assembly amendment based on a definition of "patentability" that has since been expressly overruled by the Federal Circuit's en banc decision in *Festo*. In *Festo*, the Federal Circuit answered five questions concerning the doctrine of equivalents and prosecution history estoppel. Questions 1, which is relevant here, is reproduced below:

> 1. For the purposes of determining whether an amendment to a claim creates prosecution history estoppel, is "a substantial reason related to patentability," *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 33, 117 S.Ct. 1040, 137 L.Ed.2d 146 (1997), limited to those amendments made to overcome prior art under §§ 102 and §§ 103, or does "patentability" mean any reason affecting the issuance of a patent?"

Festo 234 F.3d at 563. The Federal Circuit majority answered this question as follows:

> For the purposes of determining whether an amendment gives rise to prosecution history estoppel, "a substantial reason related to patentability" is not limited to overcoming or avoiding prior art, but instead includes *any* reason which relates to the statutory requirements for a patent. Therefore, a narrowing amendment made for any reason related to the statutory requirements for a patent

> will give rise to prosecution history estoppel with respect to the amended claim element.

Id. at 566 (emphasis in original).[3]

The Panel Decision cannot stand in view of the Federal Circuit's en banc answer to question 1. The majority in *Festo* explained that the patent statute has many provisions, and that prosecution history estoppel will arise from an amendment that addresses any one of these provisions. The Panel Decision, even if it were otherwise consistent with *Warner-Jenkinson*, still would be clearly erroneous because it assumes that prosecution history estoppel can only arise from an amendment made to distinguish the prior art.

The Panel Decision justified its refusal to apply the *Warner-Jenkinson* presumption on the faulty premise that an amendment can have a reason relating to patentability **only** if it serves to distinguish the claim from the prior art. The Panel Decision upheld the district court's conclusion that "the amendment was not made for reasons of patentability" based exclusively on the finding that the carriage assembly amendment "was not directed to distinguishing the claims from the cited references." App. 6a - 7a. This reasoning can not

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In addition to the majority opinion, the Federal Circuit's en banc review produced two concurring opinions (Plager and Lourie) and four opinions concurring-in-part and dissenting in part (Michel (joined by Rader); Rader; Linn (joined by Rader); and Newman). Only the Newman opinion is in dissent respecting en banc question one.

stand in view of *Festo*.

Even if this Court had not already rejected in *Warner-Jenkinson* the Panel's premise that the absence of a reason relating to patentability is equivalent to a reason not relating to patentability, the Panel's decision would have to go much farther than it did to rebut the presumption of patentable purpose. The Panel's decision did not address any of the other possible patentability reasons for which that the amendment might have been made. The majority in *Festo* identified some of these additional reasons as follows:

> [T]here are a number of statutory requirements that must be satisfied before a valid patent can issue and that thus relate to patentability. In addition to satisfying the novelty and non-obviousness requirements of 35 U.S.C. §§ 102 and 103, 35 U.S.C.A. §§ 102, 103 (West 1994 & Supp.2000), the claims must be directed to patentable subject matter and the claimed invention must be useful, as set forth in 35 U.S.C. § 101 (1994). Additionally, the first paragraph of 35 U.S.C. § 112 requires that the patent specification describe, enable, and set forth the best mode of carrying out the invention, 35 U.S.C. § 112, ¶ 1 (1994), while the second paragraph of section 112 requires that the claims set forth the subject matter that the applicant regards as his invention and that the claims particularly point out and distinctly define the invention, 35 U.S.C. §§ 112, ¶ 2 (1994). The Patent Office will reject a patent application that fails to satisfy any one of these statutory requirements. *See* Man. Pat. Exam. P. 2100-1 to -173 (7th ed. rev. 1 1998). And any

> one of these requirements may be a ground for invalidating an issued patent. E.g., 35 U.S.C. § 282 (1994). An amendment related to any of these statutory requirements is an amendment made for "a substantial reason related to patentability."

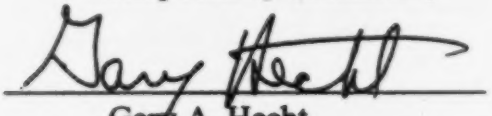
Festo, 234 F.3d at 566 - 67 (citations to case authority omitted).

Thus, even if the absence of a reason were equivalent to a reason, the Panel Decision would need to be vacated and remanded, with instructions to establish whether the amendment was not made for "*any* reason which relates to the statutory requirements for a patent." *Id.* at 566. (emphasis in original).

CONCLUSION

For the foregoing reasons, this petition for certiorari should be granted. Because the Panel Decision is so clearly erroneous, summary reversal is appropriate.

Respectfully submitted,



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Dated: February 7, 2001

(Cite as: 221 F.3d 1318)

United States Court of Appeals,
Federal Circuit.

FISKARS, INC. and Fiskars Oy AB, Plaintiffs-Appellees,
v.
HUNT MANUFACTURING CO., Defendant-Appellant,
and
Joseph F. Posillico, Sanctioned Party-Appellant.

Nos. 98-1560, 98-1566.

July 24, 2000.
Rehearing and Rehearing En Banc Denied Oct. 10, 2000.

(Cite as: 221 F.3d 1318, *1319) David J. Harth, Foley & Lardner, of Madison, Wisconsin, argued for plaintiffs-appellees. With him on the brief were Joan L. Eads, Anat Hakim, and Nancy Y.T. Hanewicz. Of counsel was Jefferson Perkins.

Joseph F. Posillico, Synnestvedt & Lechner, LLP, of Philadelphia, Pennsylvania, argued for defendant-appellant and sanctioned party-appellant. With him on the brief were Mark D. Simpson, and Gary A. Hecht.

Before NEWMAN, RADER, and SCHALL, Circuit Judges.

PAULINE NEWMAN, Circuit Judge.

Hunt Manufacturing Co. (Hunt) appeals the judgment of the United States District Court for the Western District of Wisconsin, [FN1] entered upon a jury verdict of infringement, under the doctrine of equivalents, of United States Patent No. 5,322,001 (the '001 or Fiskars patent) entitled "Paper Cutter

with Circular Blades," owned by Fiskars Oy AB and Fiskars, Inc. (together "Fiskars"). Hunt also appeals the district court's determination that there was not inequitable conduct in the United States Patent and Trademark Office. Hunt and its counsel Joseph F. Posillico appeal the ruling that Mr. Posillico had vexatiously and unreasonably multiplied the proceedings on the issue of inequitable conduct, thereby incurring liability for Fiskars' litigation costs on that issue.

> FN1. Fiskars, Inc. v. Hunt Mfg. Co., No. 97-C-0255-C (W.D.Wis. Aug. 4, 1998).

The judgment is affirmed.

BACKGROUND

The '001 patent is directed to a circular-blade paper cutter, illustrated in patent Figure 1:

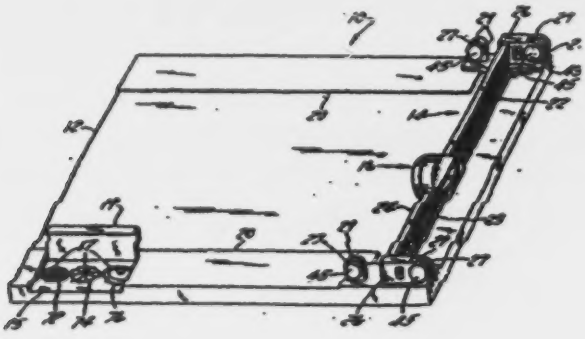


FIG. 1

In contrast with guillotine-type paper cutters which employ a long blade that pivots at one end, the patented cutter has a circular blade 18 enclosed in a carriage assembly 16 that rides

along a rail 14. The rail is secured to the cutting board at both ends by pivots 27 which allow the rail to be raised for insertion of the paper. The blade assembly is biased upwardly by springs 48, as seen in the detailed drawings of the carriage assembly in patent Figures 5 and 6:

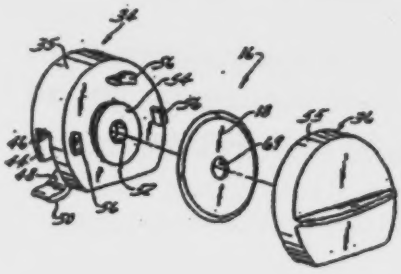


FIG. 5

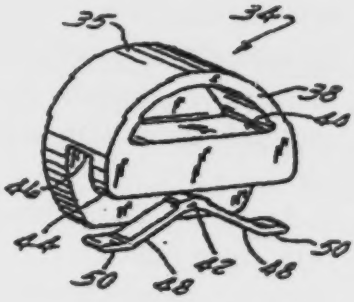


FIG. 6

To cut the paper the carriage assembly enclosing the blade is pressed down and drawn along the rail. When the pressure is released the biasing springs return the carriage assembly and blade to an inoperative position, preventing accidental cuts of paper or operator.

Claims 1 and 8 are representative, with paragraphing and emphases added to show the terms at issue with respect to infringement under the doctrine of equivalents:

1. A cutting board assembly for cutting or trimming paper sheets, said assembly comprising
[a] a cutting board,
[b] a pair of posts mounted on said cutting board,
[c] a rail assembly pivotally mounted on said posts in a parallel relation to said cutting board,
[d] a carriage assembly mounted on said rail assembly for

movement across the cutting board,
[e] a circular cutting blade mounted for rotary motion in said carriage assembly,
[f] means for biasing said carriage assembly to an inoperative position on said rail assembly, said biasing means comprises a pair of leaf springs mounted on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly
[g] whereby said carriage assembly must be moved from said inoperative position to an operative position on the rail assembly for cutting or trimming the paper sheets.

8. Apparatus for cutting sheet material comprising:
[a] a cutter board,
[b] a pair of pivot blocks mounted in a spaced relation on said cutter board,
[c] a rail assembly pivotally mounted on said pivot blocks for movement between operative and inoperative positions with respect to said board,
[d] a carriage assembly mounted on said rail assembly for translational movement across the board,
[e] said carriage assembly including a rotary cutting blade, and
[f] a spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly
[g] whereby said cutting blade is activated by pressing said carriage assembly down and sliding said carriage assembly across said rail assembly.

The accused Hunt paper cutter, called the Heavy Duty Rotary 12 Paper Trimmer, differs in two ways from the Fiskars device that is described and claimed in the '001 patent. First, with respect to clause [e] of claims 1 and 8, in the Fiskars device the blade is mounted in the carriage assembly and the entire

carriage assembly is biased by a spring, whereas the Hunt circular blade is mounted in a sub-assembly that is biased by a spring within the carriage assembly. Second, clause [f] of claim 1 specifies a pair of leaf springs, and clause [f] of claim 8 does not specify the kind of spring but states that the spring assembly is "formed on" the carriage assembly; the Hunt device uses a free-standing coil spring.

Upon Fiskars' suit for patent infringement Hunt raised the defenses of non-infringement, patent invalidity, and unenforceability for inequitable conduct. The district court granted partial summary judgment that Hunt did not literally infringe the '001 patent; that ruling is not appealed. Hunt abandoned the defense of patent invalidity at the start of trial. The issue of infringement under the doctrine of equivalents was tried to a jury. The issue of inequitable conduct was tried to the court.

INFRINGEMENT

A. Prosecution History Estoppel

The district court determined before trial that prosecution history estoppel did not preclude Fiskars from asserting infringement under the doctrine of equivalents. Hunt states that the court erred in its rulings concerning estoppel.

1. The Carriage Assembly

Hunt argues that Fiskars is estopped from asserting equivalency between the biased carriage assembly of the claims and the biased sub-assembly of the Hunt device because during prosecution Fiskars amended the term "cutting blade" to "carriage assembly." Fiskars argues that any presumption that

the amendment was made for reasons of patentability was rebutted by evidence that this amendment was not made to overcome any cited reference: the inventor explained that this amendment was made to remove the unintended limitation of the claims to a cutting blade, for other blades such as perforating and scoring blades could also be used without change in the device.

Hunt also relies on United States Patents No. 5,069,097 to Mori and No. 3,301,117 to Spaulding, both of which are directed to paper cutters. The examiner had cited Mori for its showing of a cutting assembly using a circular blade but lacking a means of biasing the cutting blade to an inoperative position, and Spaulding for its showing of a cutting assembly with means for biasing non-circular blades to an inoperative position on a rail. The district court discussed these patents, and their role in the patentability of the Fiskars patent, in extensive detail. The court observed that Mori shows a circular cutting blade that is biased downward toward the paper to be cut, but does not show biasing the blade and carriage upward to an inoperative position as in the Fiskars patent; the court found that the Mori cutting blade is biased in the opposite direction for a different purpose.

Concerning Spaulding, the district court observed that Spaulding shows two non-circular blades protruding from the bottom of a carriage that rides on a rail that is upwardly biased by springs. In Spaulding downward pressure moves the rail and carriage assembly into contact with the paper, but when the cutter is not in use the blades protrude below the rail. By contrast, in the Fiskars device the carriage and blade, but not the rail, move to bring the blade into contact with the paper, such that when the cutter is not in use the blade does not protrude below the rail because both the carriage and the blade are biased upwardly.

The district court found that the amendment substituting

"carriage assembly" for "cutting blade" was not directed to distinguishing the claims from the cited references, and thus that the amendment was not made for reasons of patentability. See Warner-Jenkinson Co. v. Hilton Davis Chem. Co., 520 U.S. 17, 33, 117 S.Ct. 1040, 137 L.Ed.2d 146, 41 USPQ2d 1865, 1873 (1997) (the presumption that an amendment was made for reasons of patentability is "subject to rebuttal if an appropriate reason for a required amendment is established.") We discern no reversible error in the district court's conclusion. Thus the question of equivalency between these elements, the claimed biased assembly and the Hunt biased sub-assembly, was properly presented for jury determination.

2. The Biasing Spring

The Fiskars patent variously claims the biasing spring as "a pair of leaf springs" (claim 1), "a pair of spring blades" (claim 6), and "a spring assembly formed on the carriage assembly" (claim 8). The district court held that the prosecution history did not establish an estoppel against equivalency between the claimed biasing pair of leaf springs and the Hunt biasing coil spring, and presented the question of equivalency to the jury.

Hunt argues that all of the claims should be interpreted as limited to springs that are located "in the rail," and that any broader interpretation is estopped by the prosecution history. Only claim 10 states that the spring is located in the rail; claim 10 was not asserted against Hunt. Although no asserted claim requires that the spring is located in the rail, Hunt argues that this feature was emphasized during prosecution in order to distinguish the Spaulding and Mori references, and that the applicant deceived the examiner into thinking that all of the claims had been amended to include the limitation that appears in claim 10. The district court did not accept Hunt's position. We agree that estoppel did not arise from this assertion of

deception of the examiner, for the prosecution record clearly stated which claims were amended to add the limitation that the spring is in the rail, and the examiner thereafter allowed the claims. "[T]here is a presumption that public officers perform their duties correctly, fairly, in good faith, and in accordance with the law and governing regulations...." Haley v. Department of the Treasury, 977 F.2d 553, 558 (Fed.Cir.1992) (quoting United States v. Chemical Foundation, Inc., 272 U.S. 1, 14-15, 47 S.Ct. 1, 71 L.Ed. 131 (1926)).

The claims in suit were not amended to add the limitation of the spring in the rail. The district court correctly ruled that the claims in suit are not limited to a device wherein the spring is located in the rail, and that there is no estoppel against equivalency based on the location of the spring.

Hunt also argues that any infringing spring must perform the dual roles of biasing and supporting the blade assembly. Hunt cites Fiskars' argument during prosecution that the spring not only biases the blade but also supports the carriage on the rail, and states that the Hunt coil spring does not provide support for the carriage sub-assembly. Fiskars' expert testified that a spring that biases something in an upward direction necessarily supports it.

Fiskars points out that the only asserted claim that was amended to include a supporting as well as a biasing function was claim 6, and that claim 6 is the only asserted claim in which the support function was mentioned in prosecution argument. Although claim 6 may be subject to prosecution history estoppel as to this element, the other claims in suit are not. Claims whose allowance was not due to a particular argument are not subject to estoppel deriving from that argument. We agree with the district court that there was no estoppel barring the jury question of equivalency of the biasing

springs.

B. The Prior Art

Hunt argues that the burden of proof was misplaced as to whether a hypothetical claim covering the range of equivalents Fiskars was asserting would ensnare the prior art. Hunt does not argue that a hypothetical claim embracing its device would not be patentable; Hunt simply argues that Fiskars had the burden of presenting evidence and establishing that Hunt's device was not in the prior art, as part of its proof of infringement. Hunt states that the district court misplaced the burden of proof, thus requiring a new trial.

Hunt's theory is incorrect. It is an affirmative defense of the accused infringer to allege and to show that it is practicing the prior art. When the patentee has presented a prima facie case of infringement, the burden shifts to the accused infringer to come forward with evidence to establish this defense. See National Presto Indus., Inc. v. West Bend Co., 76 F.3d 1185, 1192, 37 USPQ2d 1685, 1689 (Fed.Cir.1996) ("When the patentee has made a prima facie case of infringement under the doctrine of equivalents, the burden of coming forward with evidence to show that the accused device is in the prior art is upon the accused infringer.") The patentee is not required to negate an affirmative defense that has not been pled and supported with evidence.

Hunt did not allege that its device is in the prior art, or that a hypothetical claim covering its device would be unpatentable. See Wilson Sporting Goods Co. v. David Geoffrey & Associates, 904 F.2d 677, 685, 14 USPQ2d 1942, 1949 (Fed.Cir.1990) (determining patentability of a hypothetical claim covering the accused device). Absent any evidence proffered by Hunt to show that its device was in the prior art,

there was nothing for Fiskars to rebut.

C. The Jury Verdicts

The question of infringement under the doctrine of equivalents was tried to a jury. For each claimed element for which equivalency was asserted, witnesses addressed the similarities and differences as to the substituted element, including the function, way, and result of each element. After three days of trial the jury found infringement of claims 1, 5, 6, and 8, and non- infringement of claims 2 and 9. On post-trial motions the district court upheld the verdicts, ruling that the jury's findings were supported by substantial evidence, and that a new trial was not warranted.

The jury's verdicts must be sustained if they are supported by substantial evidence upon the entirety of the record. See National Presto, 76 F.3d at 1190, 37 USPQ2d at 1687 (reviewing the trial proceedings "to ascertain whether there was substantial evidence whereby a reasonable jury could have reached the verdict that was reached"). Hunt argues that no reasonable jury could have found infringement by equivalency, pointing particularly to the differences between coil and leaf springs and arguing that these springs are not interchangeable as they are embodied in the accused and patented devices.

Interchangeability is indeed relevant to equivalency, and the subject of the springs and their function, the way the function was performed, and the result, were the subject of testimony and conflicting views at trial. We agree with the district court that a reasonable jury could have accepted the evidence presented by Fiskars that the Hunt device's coil spring performed substantially the same biasing and supporting function in substantially the same way, with substantially the same result, compared with the leaf springs of the Fiskars

device. The evidence of equivalency between the biased assembly and the biased sub-assembly was also substantial, and sufficient to support the verdict.

Hunt complains that the district court did not permit Hunt to present evidence to the jury of the separate patentability of its device. Since it is well established that separate patentability does not avoid equivalency as a matter of law, see Atlas Powder Co. v. E.I. du Pont De Nemours & Co., 750 F.2d 1569, 1580, 224 USPQ 409, 417 (Fed.Cir.1984) ("where defendant has appropriated the material features of the patent in suit, infringement will be found 'even when those features have been supplemented and modified to such an extent that the defendant may be entitled to a patent for the improvement.' "), we do not intrude upon the trial court's evidentiary ruling, see Kearns v. Chrysler Corp., 32 F.3d 1541, 1547, 31 USPQ2d 1746, 1750 (Fed.Cir.1994) (" 'The decision to admit or exclude evidence is within the sound discretion of the trial court and will be reversed on appeal only for a clear abuse of that discretion.' ") (quoting Smith & Lee Assocs., Inc. v. City of Taylor, Mich., 13 F.3d 920, 928 (6th Cir.1993)); Cooper v. Carl A. Nelson & Co., 211 F.3d 1008, 1018 (7th Cir.2000) ("When reviewing the district court's evidentiary decisions, we employ an abuse of discretion standard and consequently give great deference to the trial court.") The admission or exclusion of evidence not material to the issue of infringement is consigned to the discretion of the trial judge.

Hunt also states that if any individual element of the Hunt device is in the prior art, that element can not be deemed equivalent to any claimed element. That theory is incorrect. A claim to a mechanical device usually recites a combination of several elements, most or all of which may be separately known. See Rosemount, Inc. v. Beckman Instruments, Inc., 727 F.2d 1540, 1546, 221 USPQ 1, 7 (Fed.Cir.1984) ("a

combination may be patentable whether it be composed of elements all new, partly new, or all old"); Fromson v. Advance Offset Plate, Inc., 755 F.2d 1549, 1556 n. 3, 225 USPQ 26, 31 n. 3 (Fed.Cir.1985) ("Only God works from nothing. Men must work with old elements."). That an element of an accused device already existed does not bar equivalency as to that element. See Warner-Jenkinson, 520 U.S. at 25, 117 S.Ct. 1040, 41 USPQ2d at 1869 (known interchangeability of elements is evidence of equivalency) (citing Graver Tank & Mfg. Co. v. Linde Air Prods. Co., 339 U.S. 605, 70 S.Ct. 854, 94 L.Ed. 1097, 85 USPQ 328 (1950)).

The verdicts of infringement under the doctrine of equivalents were supported by substantial evidence and were in accordance with law, and the judgment entered thereon must be affirmed.

D. Damages

The jury awarded damages to Fiskars in the amounts of $114,760 for lost profits, $1,127,650 for past price erosion, and $1,856,552 for future price erosion. Hunt appeals the award as "speculative and contradictory."

On the issue of lost profits, Hunt does not appeal the calculation thereof. Instead, Hunt argued at trial, and again on appeal, that Fiskars would not have made the sales that Hunt made, and therefore is not entitled to damages based on those sales. Hunt stressed that ninety percent of its sales were made to the Staples chain of office supply stores, and argued that Staples prefers to deal with a single supplier who would provide a full line of paper cutters, linear as well as rotary, and that since Fiskars did not make a full line of paper cutters, Fiskars would not have made any sales of rotary paper cutters to Staples.

The evidence at trial was that no single supplier would have been able to provide a full line of paper cutters without infringing the Fiskars patent, for no non-infringing substitute was commercially available for Fiskars' rotary cutter. The district court, reviewing the evidence on post-trial motions, concluded that a reasonable jury could have found that Hunt's customer Staples would have purchased its supply of rotary cutters from Fiskars but for Hunt's infringement. We agree that there was substantial evidence supporting the verdict on this issue.

Hunt also challenges the damages verdicts based on price erosion. Evidence on this issue was presented by financial and marketing officers and accounting witnesses for both sides. Fiskars' damages expert testified as to the effect of Hunt's past infringement on Fiskars' prices, and the effect of this price erosion projected into the future. The witness applied the factors set forth in Panduit Corp. v. Stahlin Bros. Fibre Works, Inc., 575 F.2d 1152, 197 USPQ 726 (6th Cir.1978) and adopted by the Federal Circuit, see, e.g., Rite-Hite Corp. v. Kelley Co., 56 F.3d 1538, 1545, 35 USPQ2d 1065, 1069 (Fed.Cir.1995) (en banc).

Hunt argues that Fiskars' damages expert failed to take into account that Fiskars would have experienced fewer sales had it not reduced its prices in the face of Hunt's competing (infringing) device. Hunt also disputes the testimony that Fiskars' sales of rotary cutters would have grown at the rate of 10% in an industry that was growing overall at 1%. A witness from Fiskars' Marketing Department testified that Fiskars had experienced this growth rate in the sales of its rotary cutters and estimated the future growth rate, and testified concerning the price reductions Fiskars had been obliged to make in response to Hunt's infringing sales. Another Fiskars witness testified concerning the difficulty Fiskars would encounter in attempting

to reestablish its former prices after having reduced its prices in response to Hunt's infringing sales, and explained that Hunt's undercutting prices would lead to continuing price erosion, even after infringement had ceased. Hunt's witnesses disputed the conclusions of Fiskars' witnesses and presented contrary opinions.

On these conflicting positions and arguments, there was substantial evidence whereby a reasonable jury could have reached the damages verdicts here reached. See Brooktree Corp. v. Advanced Micro Devices, Inc., 977 F.2d 1555, 1579-80, 24 USPQ2d 1401, 1418-19 (Fed.Cir.1992) (the jury award of damages is upheld unless it is " 'grossly excessive or monstrous', clearly not supported by the evidence, or based only on speculation or guesswork") (quoting Los Angeles Memorial Coliseum Comm'n v. National Football League, 791 F.2d 1356, 1360 (9th Cir.1986)); Smith v. Rowe, 761 F.2d 360, 368 (7th Cir.1985) ("Damages assessed by a jury are largely discretionary with it.... To reverse the judgment of the trial court, the appellate court must conclude that the verdict was so 'gross' or 'monstrously excessive' that the trial court abused its discretion in permitting it to stand.") (quoting Galard v. Johnson, 504 F.2d 1198, 1200 (7th Cir.1974)).

Hunt also argues that the district court erred in refusing to strike Fiskars' entire damages case because Fiskars did not disclose early enough in the discovery process that it had made some sales to national chains such as Staples. The district court commented in its post-trial memorandum that it had offered to exclude this evidence from the damages trial, but that Hunt had declined the offer since the evidence was useful to Hunt by diminishing the significance of Hunt's infringing sales. The district court held that Hunt can not, on post trial motion, attack an evidentiary ruling that it requested, having been offered and rejected the ruling it now demands. The district

court's actions were within its discretion, and are sustained.

E. Other Challenged Rulings

Hunt argues that the district court erred in limiting Hunt's presentation at trial to the references that Hunt filed in accordance with 35 U.S.C. § 282 and the court's pre-trial rules and orders. The district court, denying Hunt's motion for a new trial on this ground, referred to Hunt's multiple flouting of the court's "deadlines for the completion of discovery, for the filing of expert reports, for the filing of dispositive motions and for disclosure of lay witnesses." The district court's orders concerning scheduling and expert reports were reasonable trial management, and will not be disturbed. See Abbott Labs. v. Brennan, 952 F.2d 1346, 1351, 21 USPQ2d 1192, 1196 (Fed.Cir.1991) ("It is improper on appeal to disturb a district court's trial management, absent a clear abuse of judicial discretion."); Hebert v. Lisle Corp., 99 F.3d 1109, 1114, 40 USPQ2d 1611, 1614 (Fed.Cir.1996) (same). We take note that despite these infractions the court granted Hunt a three-week continuance when, on the Thursday before trial, Hunt announced a newly discovered reference. This reference was then translated and admitted into evidence.

Hunt complains of other rulings, and argues that the district court "tramples on Hunt's due process rights." This argument is belied by the record. We discern no abuse of discretion in the district court's evidentiary rulings.

INEQUITABLE CONDUCT

Hunt raised the defense that the '001 patent is unenforceable due to inequitable conduct by Fiskars during prosecution in the Patent and Trademark Office.

A ruling of inequitable conduct in patent prosecution requires the threshold findings that the applicant withheld material information from the PTO during examination of the patent or submitted material false information, and that the applicant acted with the intent to deceive or mislead the examiner into granting the patent. These findings must be made by clear and convincing evidence. See Kingsdown Medical Consultants, Ltd. v. Hollister, Inc., 863 F.2d 867, 876, 9 USPQ2d 1384, 1392 (Fed.Cir.1988) (en banc). When both materiality and intent have been established, these facts are weighed to determine the ultimate question of inequitable conduct.

This issue was tried to the court as to the findings of underlying facts of materiality and intent, as well as the ultimate question of whether these facts constituted inequitable conduct. This procedure is within the district court's discretion, as explained in Hebert v. Lisle Corp., 99 F.3d 1109, 1114, 40 USPQ2d 1611, 1614 (Fed.Cir.1996), and on appellate review the district court's factual findings are reviewed for clear error while the ruling on the ultimate question is reviewed on the standard of abuse of discretion. See Modine Mfg. Co. v. Allen Group, Inc., 917 F.2d 538, 541, 16 USPQ2d 1622, 1624 (Fed.Cir.1990); Kingsdown, 863 F.2d at 876, 9 USPQ2d at 1392.

Hunt states that four material items were withheld from the PTO with the intent to deceive or mislead the examiner. The four items were three prior art paper cutters and a patent to Benavidez. Hunt concentrated its argument on a paper cutter called the "Maruzen device," which the inventor had seen at a trade show. The inventor testified that he considered this device to be the closest prior art.

The prosecution history shows a brochure describing the Maruzen paper cutter listed on PTO Form 1449 ("List of

References Cited by Applicant(s)") and submitted to the PTO. Although Hunt does not dispute that the Maruzen brochure was submitted to the PTO, Hunt argues that the examiner did not consider it, pointing to the line drawn through this listing on Form 1449. See Man. Pat. Exam. P. 609 (7th ed.1998) (directing an examiner to line through a reference that is not being considered) [FN2]. Hunt states that this placed on Fiskars the obligation to stress to the examiner the relevance of the Maruzen device. However, the earlier PTO requirement that the applicant explain the relevance of the references listed was removed in 1992. Hunt makes no argument that Fiskars otherwise wrongly withheld the brochure.

> FN2. MPEP 609 directs an examiner to line through, and not consider, a prior art reference when the requirements of 37 C.F.R. § 1.97 or § 1.98 have not been satisfied. Hunt has not argued that Fiskars failed to satisfy any of these requirements, and the examiner gave no reason for the action. Therefore, we do not address the status of a reference that was submitted to the PTO without satisfying 37 C.F.R. § 1.97 and § 1.98.

The district court held that when a reference was cited to the patent examiner it can not be deemed to have been withheld, citing Scripps Clinic & Research Found. v. Genentech, Inc., 927 F.2d 1565, 18 USPQ2d 1001 (Fed.Cir.1991). In Scripps the court held that inequitable conduct could not be based on an applicant's failure to cite a prior art reference, when the examiner independently cited the same reference. Hunt argues that the district court misread Scripps; we do not share Hunt's view. An applicant can not be guilty of inequitable conduct if the reference was cited to the examiner, whether or not it was a ground of rejection by the examiner. We do not know the examiner's reason for lining out the three cutters, but Fiskars' citation as prior art defeats Hunt's charge that the Maruzen

device was withheld with deceptive intent. An applicant is not required to tell the PTO twice about the same prior art, on pain of loss of the patent for inequitable conduct.

The district court held that Hunt failed to introduce any evidence of withholding of prior art material to patentability. In its brief, Hunt discusses the features of the three cutters that are now asserted to be material to patentability. However, as the court observed, there was no evidence at trial as to how these three references compared in relevance to the thirteen references considered and listed by the examiner. The district court's ruling that Hunt produced no evidence of withholding of material prior art is well supported by the record.

On the issue of intent, Hunt provided no evidence of intentional withholding of material prior art. Hunt cites Paragon Podiatry Lab., Inc. v. KLM Labs., Inc., 984 F.2d 1182, 25 USPQ2d 1561 (Fed.Cir.1993) for its observation that a "smoking gun" is "not always necessary," to establish intent to deceive. However, Paragon does not hold that there need be no evidence of culpable intent. In Paragon the affiants with "deliberate artfulness" swore that they were "not employed" by Paragon whereas they were owners or paid consultants of Paragon; this evidence was found to establish culpable intent. The court did not hold in Paragon that intent could be found without any factual basis. See, e.g., Goodyear Tire & Rubber Co. v. Hercules Tire & Rubber Co., 162 F.3d 1113, 1122 (Fed.Cir.1998) ("Both materiality and culpable intent are essential factual predicates of inequitable conduct, and each must be proved by clear and convincing evidence."); B.F. Goodrich Co. v. Aircraft Braking Systems Corp., 72 F.3d 1577, 1584, 37 USPQ2d 1314, 1319 (Fed.Cir.1996) ("One alleging inequitable conduct must prove the threshold elements of materiality and intent by clear and convincing evidence.")

We affirm the district court's ruling that the facts predicate to inequitable conduct were not established.

The district court deemed the inequitable conduct claim "so lacking in substance as to constitute a waste of the time and resources of all the participants." The court imposed sanctions on Hunt's counsel for "multiply [ing] the proceedings ... unreasonably and vexatiously," 28 U.S.C. § 1927 [FN3], and awarded Fiskars $8,582.50 of the attorney fees it incurred in defending against this charge.

> FN3. 28 U.S.C. § 1927. Counsel's liability for excessive costs
> Any attorney or other person admitted to conduct cases in any court of the United States or any Territory thereof who so multiplies the proceedings in any case unreasonably and vexatiously may be required by the court to satisfy personally the excess costs, expenses, and attorneys' fees reasonably incurred because of such conduct.

Hunt's counsel argues that the district court abused its discretion in imposing this sanction. He states that he presented a prima facie case of inequitable conduct, and that he did not act in bad faith. He argues that the inventor might have supported the charge of inequitable conduct had he been less credible or his testimony different, and that credibility could not be known until the inventor testified at the trial.

Even a generous view of the record from Hunt's position does not weaken the district court's observation that neither material withholding nor intent to deceive was supported with evidence sufficient to make a prima facie case. An applicant's citation of prior art in accordance with the rules of the PTO precludes a finding of withholding of that prior art with deceptive intent.

The Seventh Circuit makes clear that liability under § 1927 for unreasonable and vexatious prolongation of the proceedings does not require that the actions were taken in bad faith. See Knorr Brake Corp. v. Harbil, Inc., 738 F.2d 223, 226-27 (7th Cir.1984) ("This court has not required an express finding by the district court of subjective bad faith or intent to delay to support an award of fees under section 1927.") In the words of the district court, "[Hunt's] decision to pursue the counterclaim caused [Fiskars] to incur additional expenses, created extensive work for the court and cast a cloud over the integrity of the inventor and his original counsel." [FN4]

> FN4. The patent attorney who prosecuted the '001 patent was retired, had undergone surgery for cancer, and was suffering significant cognitive difficulties. As the district court observed from his deposition testimony, he could no longer remember any detail about his work on the application for the '001 patent, including "whether he ever met personally with Boda [the inventor]."

In matters of trial management and attorney discipline, marked deference is owed to the discretionary rulings of the judge conducting the trial. Abbott Labs. v. Brennan, 952 F.2d 1346, 1351, 21 USPQ2d 1192, 1196 (Fed.Cir.1991) ("It is improper on appeal to disturb a district court's trial management, absent a clear abuse of judicial discretion.") Absent a clear abuse of the trial judge's discretion, it is inappropriate for the appellate court to disturb a disciplinary action that is based on litigation conduct. Such abuse of discretion has not been shown. The sanction is affirmed.

AFFIRMED

IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

FISKARS, INC., a Wisconsin corporation,
and FISKARS OY AB, Helsinki, Finland,

OPINION AND ORDER

Plaintiffs,

97-C-255-C

v.

HUNT MANUFACTURING CO.,
a Pennsylvania corporation,

Defendant.

In this action for monetary and injunctive relief, plaintiffs assert that defendant has infringed United States Patent No. 5,322,001, of which plaintiff Fiskars Oy AB is the owner and plaintiff Fiskars, Inc. is the exclusive licensee. This case is before the court on defendant Hunt Manufacturing Co.'s motion for summary judgment, in which defendant contends that its device does not literally infringe the '001 patent and that the doctrine of prosecution history estoppel bars plaintiffs from asserting infringement under the doctrine of equivalents.

The accused device, defendant's "Heavy Duty Rotary 12" Paper Trimmer," is a product in which paper is cut by a

round blade that is housed in a carriage assembly, with a portion of the blade protruding from the bottom of the carriage assembly. The carriage assembly is mounted on and slides along a rail, which is attached to the cutting board. A user positions the paper to be cut under the rail and then depresses the top of the carriage assembly, referred to as the "handle/blade support" and to which the blade is attached, therefore pushing the blade down and into contact with the cutting surface. The user then slides the entire carriage assembly along the rail and across the paper, allowing the blade to cut the paper. When the carriage assembly is released, a helical spring located in the carriage assembly pushes the handle/blade support upward, lifting the blade to an inoperative position not in contact with the cutting surface.

Plaintiffs' '001 patent discloses a paper cutter with circular blades of the same variety as defendant's product. Plaintiffs assert that defendant's device literally infringes independent claim 8 of the '001 patent, which discloses, in pertinent part, "a spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position." Plaintiffs contend that the accused device infringes independent claims 1 and 6 under the doctrine of equivalents; these claims differ from claim 8 in that they disclose "a pair of leaf springs mounted on said carriage assembly" (claim 1) and "a pair of spring blades formed on said carriage assembly" (claim 6) as the means for biasing the carriage assembly to an inoperative position. Plaintiff asserts an additional literal infringement count under claim 9, which is dependent upon claim 8, and additional equivalent infringement counts under claims 2 and 5, which are dependent upon claim 1.

In this motion for summary judgment, defendant disputes that its paper trimmer infringes claim 8 literally. Defendant argues that its helical spring structure is not covered

by the "spring assembly formed on said carriage assembly" claim limitation. Additionally, defendant contends that the accused device contains no means for "biasing" the carriage assembly "to an inoperative position," because its helical spring structure biases only a portion of the carriage assembly. Defendant argues that plaintiffs are estopped from asserting infringement under the doctrine of equivalents as to the biased carriage assembly element because this limitation was added to the patent during its prosecution to obtain allowance from the Patent and Trademark Office. Similarly, defendant contends that plaintiffs are estopped from asserting that the helical spring structure in the accused device is an equivalent of the leaf springs and spring blades disclosed in claims 1 and 6 because both of these limitations were added during the patent's prosecution.

I conclude that the accused device does not infringe claim 8 literally. Although defendant's helical spring structure qualifies as a "spring assembly formed on said carriage assembly," a proper construction of that claim requires that the spring assembly bias, or influence directionally, the entire carriage assembly. The undisputed facts reveal that defendant's helical spring structure biases only a portion of the carriage assembly. I conclude also that the prosecution history of the '001 patent does not preclude plaintiffs from asserting that the accused device contains an equivalent to the biased carriage assembly element, because it is clear that plaintiffs did not amend the patent application to add that limitation in an effort to ensure patentability. The same is true of the amendments adding the leaf spring and spring blade elements of claims 1 and 6.

During the briefing of this motion for summary judgment, defendant submitted along with its reply brief a document entitled "Additional Proposed Findings of Fact."

Dkt. #37. In an order dated January 28, 1998, United States Magistrate Judge Crocker concluded that this filing did not comply with this district's standard procedures to followed on summary judgment and ordered defendant to resubmit the document after bringing it into conformance with those procedures. Defendant resubmitted its additional proposed facts, but with individual explanations as to how each proposed fact responded to plaintiffs' summary judgment submissions. Plaintiffs moved to strike this amended document, along with the filing accompanying it and requested the alternative relief of being allowed to file a surreply to these submissions. However, plaintiffs failed to object to the proposed facts individually, as instructed in Magistrate Judge Crocker's order. Most of defendant's additional proposed findings of fact repeat or support defendant's responses to plaintiffs' proposed facts and provide sufficient cross-referencing to that effect. These proposed factual submissions will be admitted; the remainder have been disregarded. Plaintiffs' request for leave to file surreply materials will be denied. Plaintiffs' request to strike portions of defendant's reply brief raising new arguments is addressed in the opinion section below. From the parties' properly proposed factual submissions, I find that the following matters are not in dispute.

UNDISPUTED FACTS

Plaintiff Fiskars Oy AB, a corporation organized under the laws of Finland, owns United States Patent No. 5,322,001 entitled Paper Cutter with Circular Blades. Plaintiff Fiskars, Inc. a Wisconsin corporation, is the exclusive licensee of the '011 patent. Defendant Hunt Manufacturing Co. is a Pennsylvania corporation that manufactures and sells a product designated as the "Heavy Duty Rotary 12" Paper Trimmer." The paper cutter claimed in the '001 patent and the paper

trimmer sold by defendant provide a safe and more accurate alternative to traditional paper cutters, which have long, exposed blades mounted on a pivoting arm which are pulled down and into contact with the paper to be cut. In both the claimed invention and defendant's device, the paper is cut by a round blade that is housed in a carriage assembly; a portion of the blade protrudes slightly out of the bottom of the carriage assembly. In turn, the carriage assembly is mounted on and slides along a rail attached to the cutting board. Paper is positioned so that the desired path of cut lies directly under the rail and the carriage assembly is depressed and slid along the rail and across the paper, bringing the blade into contact with the paper surface.

A. The '001 Patent

Plaintiff's United States Patent No. 5,322,001 was issued June 24, 1994. The following illustration, Figure 1 from the '001 patent, depicts a preferred embodiment of the claimed invention with a cutting board (12), and a rail assembly (14) and a carriage assembly (16). In this embodiment, the rail assembly is connected to the cutting board through pivot posts (26) and pivot blocks (27), which allow the entire rail assembly to be raised from the cutting board surface and then lowered once the paper is positioned, securing it in place.

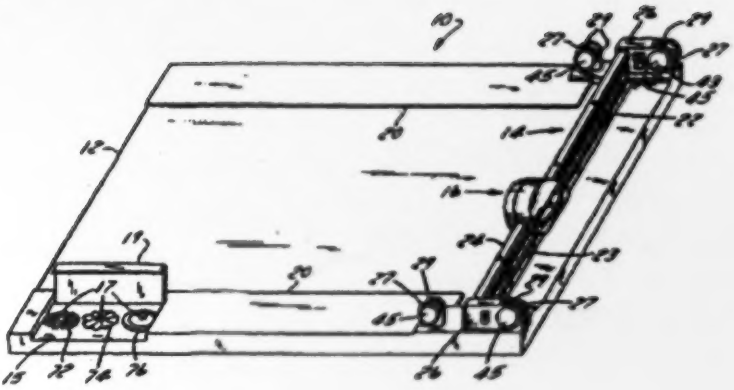


Fig. 1, '001 Patent

Figures 5 and 6 show different views of a preferred embodiment of the carriage assembly, which comprises a trolley (34), cutting blade (18) and cover (36). The cover can be removed and different blades inserted, including a pinking blade, wave blade, perforation blade or scoring blade. In this embodiment, two leaf springs (48) are molded into the carriage assembly; the ends of these leaf springs rest on the rail assembly and hold the carriage assembly in an inoperative position, with the cutting blade clear of the cutting surface. To operate the cutter, downward pressure is applied on the carriage assembly, compressing the leaf springs and bringing the blade into contact with the cutting surface. The carriage assembly is slid along the rail, causing the blade to roll across and cut the paper. When the carriage assembly is released, the leaf springs lift the blade and carriage assembly back to an inoperative position.

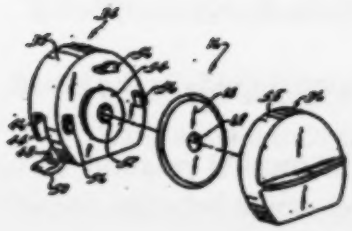


Fig. 5, '001 Patent

Fig. 6, '001 Patent

Of the '001 patent's 10 claims, claims 1, 6 and 8, are independent. The three independent claims, all of which are relevant to the present motion, provide as follows:

1. A cutting board assembly for cutting or trimming paper sheets, said assembly comprising a cutting board, a pair of posts mounted on said cutting board, a rail assembly pivotally mounted on said posts in a parallel relation to said cutting board, a carriage assembly mounted on said rail assembly for movement across the cutting board, a circular cutting blade mounted for rotary motion in said carriage assembly, **means for biasing said carriage assembly to an inoperative position on said rail assembly, said biasing means comprises a pair of leaf springs mounted on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly whereby said carriage assembly must be moved from said inoperative position to an operative position on the rail assembly for cutting or trimming the paper sheets.**

* * *

6. A paper cutting or trimming device comprising:

a cutting board having a material guide in the board,

a rail assembly mounted in parallel relation to said cutting board for pivotal movement between operative and inoperative positions with respect to said cutting board,

a carriage assembly mounted for sliding movement on said rail assembly,

said carriage assembly including a circular blade for cutting or trimming paper sheets,

a pair of spring blades formed on said carriage assembly for supporting and biasing said carriage assembly to an inoperative position on said rail assembly, and

a mat embedded in the surface of said cutting board in alignment with the circular cutting blade whereby said cutting blade will roll across the mat on the cutting board when moved to the operative position on said rail assembly to cut or trim the edge of the paper.

* * *

8. Apparatus for cutting sheet material comprising:

a cutter board, a pair of pivot blocks mounted in spaced relation on said cutter board,

a rail assembly pivotally mounted on said pivot blocks for movement between operative and inoperative

positions with respect to said board,

a carriage assembly mounted on said rail assembly for translational movement across the board,

said carriage assembly including a rotary cutting blade, and

a spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly whereby said cutting blade is activated by pressing said carriage assembly down and sliding said carriage assembly across said rail assembly. (Emphasis added.)

B. Defendant's Paper Trimmer

Defendant's "Heavy Duty Rotary 12" Paper Trimmer" operates in a fashion very similar to that of the claimed invention. The device has a cutting board and a pivotally mounted rail that can be lifted and lowered. Mounted on the rail is a carriage assembly housing a rotary blade. Figures A and B are cross-sectional views of defendant's carriage assembly in inoperative and operative positions, respectively. The carriage assembly includes a back trolley member (1), a front trolley member (4), a central helical spring (3), a handle/blade support (5), a rotary cutting blade (7) and a front cover (6). The front and back trolley members are mounted on the T-shaped rail (2). An upstanding finger (10) protrudes from the front trolley member and supports the central helical spring. The upper end of the spring contacts a shoulder (107) of the handle/blade support, on which the cutting blade is mounted. The spring biases the handle/blade support to its uppermost position, so that the blade is not in contact with the cutting

surface (see Fig. A). When the handle/blade support is depressed, the spring compresses and the blade is forced downward, engaging the cutting surface (see Fig. B). With the blade engaged, the operator can slide the carriage assembly across the rail to cut paper. With respect to the components of the carriage assembly in defendant's paper trimmer, only the handle/blade support, the blade and to a certain extend the helical spring moves vertically in relation to the rail.

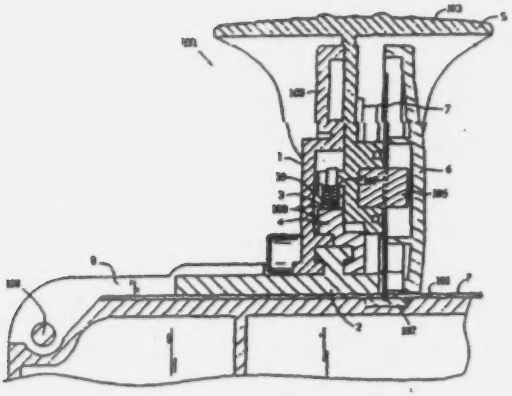


Fig. A

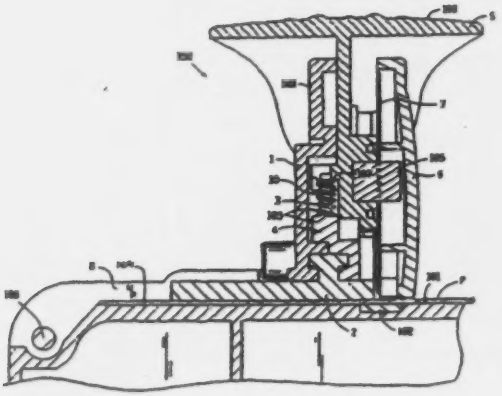


Fig. B

C. Prior Art

United States Patent No. 5,069,097, issued to Mori, discloses a paper cutting machine with a cutting board and rail, on which was mounted a "slider" (essentially a carriage assembly) housing a cutter blade. In the Mori invention, a portion of the carriage assembly, which included the cutter blade, was biased downward by two helical springs located on finger portions of the assembly. The springs held the blade in an operative position in full contact with the cutting surface. The force with which the Mori cutting blade is pressed against the paper cannot be controlled by applying manual pressure on the top of the carriage assembly. When the Mori blade encounters an object resistant to being cut, such as a staple, the helical springs compress and the blade and blade carrier are displaced upward. The Mori patent shows no means for using springs to bias its cutter blade or carriage assembly to an inoperative position relative to the rail assembly. Figure 7 from the '097 patent shows an exploded perspective view of the Mori carriage assembly, figure C is a cross sectional view of the same

device submitted by plaintiff that is not part of the '097 patent file.

Fig 7, '097 Patent

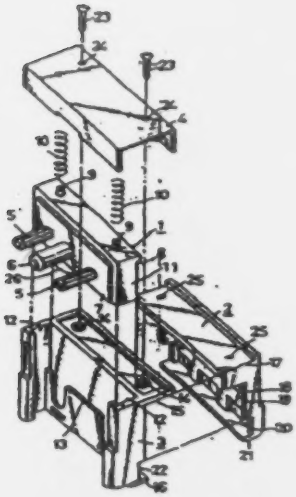
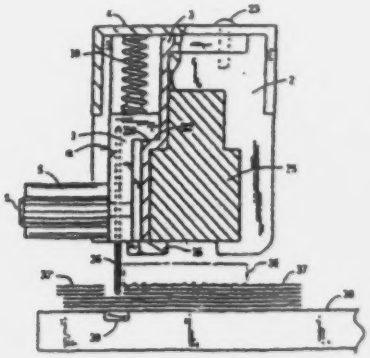


Fig. C



On January 31, 1967, United States Patent No. 3,301,117 was issued to D.E. Spaulding. The Spaulding patent discloses a paper cutter with a pair of non-rotary cutting blades housed in a carriage assembly that slides along a rail. Additionally, Spaulding discloses a pair of helical springs positioned at either end of the rail that bias the entire rail away from the cutting board, placing the blade and carriage assembly in an inoperative position. Figure 2 from the Spaulding patent depicts a foreshortened section view of the cutting blade (45), carriage assembly (70), rail (12) and helical springs (23).

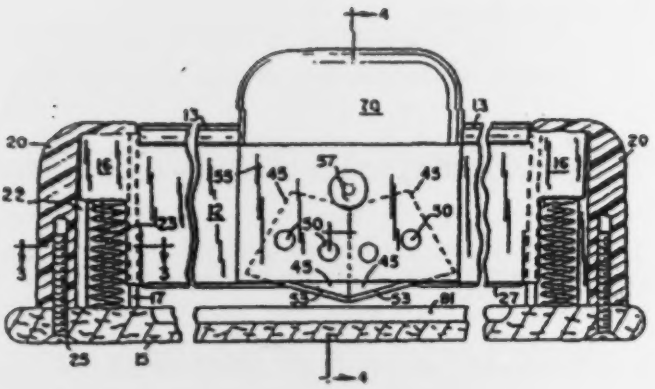


Fig. 2, '117 Patent

D. Prosecution History

1. Patent application

On May 28, 1993, plaintiffs filed with the United States Patent and Trademark Office Patent Application No. 08/068,399, entitled "Paper Cutter with Circular Blades." The application as filed contained 12 claims. The independent claims 1, 7 and 10 of the original '399 application, which became claims 1, 6 and 8 of the '011 patent, respectively, provided as follows:

1. A cutting board assembly for cutting and/or trimming paper sheets, said assembly comprising a cutting board, a rail assembly pivotally mounted on said cutting board, a carriage assembly mounted on said rail assembly for movement across the cutting board, a circular butting blade mounted in said carriage assembly including means for biasing said cutting blade to an inoperative position on said rail assembly whereby

said carriage assembly must be moved from an inoperative position to an operative position on the rail assembly before cutting the paper sheets.

* * *

7. A paper cutting and/or trimming device comprising:

a cutting board having a material guide in the upper surface thereof,

a rail assembly pivotally mounted on said cutting board in a perpendicular relation to said material guide for movement between operative and inoperative positions with respect to said cutting board,

a carriage assembly mounted for sliding movement on said rail assembly,

said carriage assembly including a circular blade for cutting and/or trimming paper sheets, and

a mat embedded in the surface of said cutting board in alignment with the cutting blade whereby said cutting blade will roll across the mat on the cutting board to trim the edge of the paper.

* * *

10. Apparatus for cutting sheet material comprising:

a cutter board,

a rail assembly mounted on said board for movement between operative and inoperative positions with

respect to said board,

a carriage assembly mounted on said rail assembly for translational movement across the board,

said carriage assembly including a rotary cutting blade, and

means biasing said carriage assembly to an inoperative position on said rail assembly whereby said cutting blade is activated by pressing said carriage assembly down and across said rail assembly.

2. First office action

On August 26, 1993, the Patent and Trademark Office issued a first office action rejecting all proposed claims of the '399 application. Proposed claim 7, which made no reference to means for biasing the carriage assembly to an inoperative position, was rejected as clearly anticipated by the Mori patent. Proposed claims 1 and 10 (as well as several dependent claims) were rejected under 35 U.S.C. § 103 as being unpatentable over Mori in view of the Spaulding patent. In discussing this rejection, the patent examiner made the following statement:

> Mori discloses a cutting board assembly substantially as claimed. Mori lacks means biasing the cutting blade to an inoperative position on the rail assembly. Spaulding discloses a paper cutter including spring means (23) for biasing the cutting blade (45) to an inoperative position on rail assembly (10). It would have been obvious to one having ordinary skill in the art to provide Mori with spring

> means as taught by Spaulding in order to bias the cutting blade to an inoperative position such that activation by a user is necessary in order to effect a cut thus preventing the work from being cut unless such is desired. As to the springs being leaf springs, it is noted that it would have been obvious to one having ordinary skill in the art to provide the spring means of the modified device of Mori to be leaf springs since the use of leaf springs is a well-known and equivalent biasing means.

The examiner rejected proposed claim 9 in a separate paragraph. That claim depended from independent claim 7 and dependent claim 8, which disclosed a rectangular rail assembly with longitudinal opening on which is mounted a carriage assembly trolley. Dependent claim 9 added to these claims the limitation that the trolley "include a pair of spring blades aligned in the inside of the rail for biasing said trolly to a neutral position on said rail." The examiner rejected this addition as being unpatentable over Mori in view of Spaulding, using largely the same language as that quoted above but specifying that "Mori lacks a pair of spring blades for biasing the *trolley* to a neutral position" and that Spaulding discloses "a pair of springs (23) for biasing the *trolley* (70) to a neutral position" (emphasis added).

3. Plaintiffs' first response and amendment

On November 11, 1993, plaintiffs filed its response and amendment to the August 26 office action. Plaintiff amended proposed claim 1, replacing "means for biasing said cutting blade to an inoperative position" with "means for biasing said carriage assembly to an inoperative position." Proposed claim

7 was amended to include the following phrase: "Means for supporting and biasing said carriage assembly to an inoperative position on said rail assembly." In the "Remarks" section of their response, plaintiffs stated that claim 7 "as amended" called for a means for supporting and biasing the carriage assembly to an inoperative position on the rail assembly, allowing the operator to control the cutting force applied to the paper by moderating the downward force applied to the carriage assembly. Plaintiffs emphasized that the operator has no such control with the Mori device.

Plaintiffs pointed out that in the device disclosed in claims 1 and 10, only the carriage assembly is biased to an inoperative position, as opposed to the Spaulding prior art, where the springs "bias the entire rail 10 to an inoperative position." Plaintiffs stressed that to utilize the Spaulding device, an operator must push down the entire rail, while the operator of the claimed invention need only depress the carriage assembly "to move the cutter blade from the inoperative position to the operative position." Plaintiffs argued that "[t]o incorporate the teaching of Spaulding into Mori would require a complete restructuring of the Mori disclosure, since the rail 35 of Mori is pivotally connected at one end to the rail support 41 and calls for a set of springs to hold the blade in the operative position." Additionally, plaintiffs contended that their dependent claims added features that "further define over Mori and Spaulding." Specifically, claim 4 "includes a trolley having a pair of leaf springs which provide both a support for the carriage on the rail as well as biasing the trolley to the inoperative position." In defense of dependent claim 9, plaintiffs argues as follows:

> It should be noted that Spaulding only shows a pair of springs for biasing the track away from the cutting board. . . . There is no disclosure in

> Spaulding of a pair of spring blades formed on said trolley and aligned in the inside of the rail for supporting the trolley for sliding movement in the rail as well as biasing the trolley to a neutral position.

4. Second office action

On December 28, 1993, the Patent and Trademark Office rejected amended claims 1, 7 and 10. However, the examiner indicated that claims 4, 5 (which depended upon 4 and disclosed a self-healing cutting pad) and 9 were objected to as being dependent upon rejected base claims "but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims." The examiner addressed plaintiffs' arguments regarding claims 1, 7 and 10 as follows:

> Applicant argues that in Spaulding the entire rail is biased into an inoperative position and to incorporate such a teaching into Mori would require a complete restructuring of Mori. While it is true that the entire rail is biased into an inoperative position, the claims merely recite 'means for biasing the carriage assembly to an inoperative position on said rail assembly.' In Spaulding, the carriage assembly is biased to an inoperative position, as recited, even though the rail assembly is biased as well. Further, Mori would not require a complete restructuring but merely the addition of biasing means biasing the carriage assembly to an inoperative position.

5. Plaintiffs' second response and amendment

On January 12, 1994, plaintiffs submitted a second response and amendment, amending proposed claims 1, 7 and 10. Essentially, plaintiffs amended claims 1 and 7 to include the structures of claims 4 and 9, respectively, as recommended by the examiner in the second office action. Specifically, plaintiffs added to claim 1 the language "said biasing means comprises a pair of leaf springs mounted on said carriage assembly to an inoperative position on said rail" and to claim 7 "a pair of spring blades on said carriage assembly"; these amendments transformed the claims into the versions approved ultimately as claims 1 and 6 of the '001 patent. Additionally, plaintiffs amended proposed independent claim 10 by replacing "means biasing said carriage assembly to an inoperative position on said rail assembly" with "a spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly." In essentially this form, proposed claim 10 was allowed as claim 8 of the '011 patent.

On January 27, 1994, in response to plaintiffs' January 12, 1994 amendments, the Patent and Trademark Office issued a Notice of Allowability for the '399 application. Subject to minor subsequent claim amendments, the '399 application was issued as the '001 patent on June 21, 1994.

OPINION

To show non-infringement on a motion for summary judgment, a moving defendant must establish that it cannot be genuinely disputed that at least one element of the patent claim at issue is not found in the accused device either literally or figuratively. See SMI Corp. v. Cardiac Resuscitator Corp., 844

F.2d 1576, 1582 (Fed. Cir. 1988). If every element of a claim is embodied in the accused device, defendant is guilty of literal infringement. See Mannesmann Demag Corp. v. Engineered Metal Products Co., 793 F.2d 1279, 1282 (Fed. Cir. 1986). If the accused device differs from the patent claims, but those differences are insubstantial, defendant may be guilty of infringement under the doctrine of equivalents. See Athletic Alternatives, Inc. v. Prince Mfg., Inc., 73 F.3d 1573, 1581 (Fed. Cir. 1996).

In this action, plaintiffs raise a variety of literal and doctrine of equivalents charges. They assert literal infringement only as to claim 8 and dependent claim 9 of the '011 patent, which disclose a "spring assembly" for biasing a carriage assembly to an inoperative position. As a backup position, plaintiffs argue that defendant's device infringes claims 8 and 9 under the doctrine of equivalents. In addition, plaintiffs raise doctrine of equivalents charges under independent claims 1, 2, 5 and 6, which include either leaf spring or spring blade elements. On this motion for summary judgment, defendant challenges plaintiffs' literal infringement charges and asserts that the doctrine of prosecutorial estoppel, or file wrapper estoppel, prevents plaintiffs from relying on the doctrine of equivalents; defendant does not raise the issue whether the differences between its device and the claimed inventions are substantial enough to avoid a finding of infringement under the doctrine of equivalents.

A. Literal Infringement

The literal infringement inquiry begins with construction of the scope and meaning of the claim without regard to the accused product and proceeds to a determination whether the accused device infringes the claim as properly construed. See

Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1581-82 (Fed. Cir. 1996); Dolly, Inc. v. Spalding & Evenflo Companies, 16 F.3d 394, 397 (Fed. Cir. 1994). Claim construction is a question of law to be determined by the court, see Markman v. Westview Instruments, Inc., 116 S. Ct. 1384, 1396 (1996), while the question of infringement is factual. See Hormone Research Foundation, Inc. v. Genentech, Inc., 904 F.2d 1558, 1562 (Fed. Cir. 1990). However, where the parties do not dispute any relevant facts regarding the accused product but disagree over the meaning of the claim, the questions of claim construction and literal infringement become one issue that is appropriately addressed on summary judgment. See Athletic Alternatives, 73 F.2d at 1578.

In construing the terms of a claim, courts are to consider first all relevant intrinsic evidence, which includes sources within the patent record. See Vitronics Corp., 90 F.3d at 1582. Primarily, courts begin with the language of the claim itself, giving its terms their ordinary and customary meaning unless it is apparent from the patent and prosecution history that the inventor used them differently. See id.; Hoechst Celanese Corp. v. BP Chemicals Ltd., 78 F.3d 1575, 1578 (Fed. Cir. 1996); Hoganas AB v. Dresser Industries, Inc., 9 F.3d 948, 951 (Fed. Cir. 1993). Next, it is necessary to review the specification and its written description of the invention. "For claim construction purposes, the description may act as a sort of dictionary, which explains the invention and may define terms used in the claims." Markman v. Westview Instruments, Inc., 52 F.3d 967, 979 (Fed. Cir. 1995), aff'd, 116 S. Ct. 1384. The final source of intrinsic evidence relevant to claim construction is the patent's prosecution history, which limits interpretations of claim terms by excluding those that have been disclaimed during prosecution. See Vitronics, 90 F.2d at 1582. Extrinsic evidence of claim construction, such as expert testimony, is to be utilized only in the rare occasion in which the patent record

is insufficient to allow the court to construe the disputed terms. Id. at 1585. Even in these situations, an expert's opinion as to the meaning of a claim should be treated with the "utmost caution." Id.

In its opening brief, defendant identifies "two critical elements common to the independent claims which are most relevant to this motion" as being the requirements of a carriage assembly and a means for biasing the carriage assembly to an inoperative position on the rail. Def.'s Mem. Supp. Sum. J. at 14. In its reply brief, however, defendant contests an additional element of claim 8, asserting that the accused device does not contain "a spring assembly formed on said carriage assembly." Understandably, plaintiffs object to defendant's raising this new argument in reply. Defendant disputes that the argument is newly raised, citing two brief statements in its opening memorandum regarding the '001 patent's "formed on" requirement. It is questionable whether these passages, which did not refer to claim 8 directly, raised defendant's additional arguments with sufficient precision to allow them to serve as a basis for summary judgment. See Cooper v. Ford Motor Co., 748 F.2d 677, 680 (Fed. Cir. 1984) ("[T]he Federal Rules do not contemplate that a court may dispose of a cause by summary judgment, when the basis for the judgment was not raised by the movant with sufficient precision for the nonmovant to respond."). However, I need not resolve this question because defendant's assertion that its device does not include a "spring assembly formed on said carriage assembly" is premised on a faulty construction of claim 8 and will be rejected.

1. A spring assembly formed on said carriage assembly

The relevant portion of claim 8 of the '001 patent

discloses "a spring assembly formed on said carriage assembly." Defendant contends that 1) the term "spring assembly" as used in the claim does not include a helical spring and that 2) "formed on said carriage assembly" means "created in contact with or as an integral part of the carriage assembly." Defendant's effort to exclude helical springs from the scope of claim 8 faces a tough road, as the term "spring assembly" appears unambiguous in its coverage of all manner of spring devices. Defendant points to nothing in the claim language or the specifications demonstrating that the inventor used the term in a manner different from its ordinary meaning. The fact that the preferred embodiment described in the patent used leaf springs is irrelevant; a patent claim is not limited to a preferred embodiment disclosed in the specifications. See Transmatic, Inc. v. Gulton Industries, Inc., 53 F.3d 1270, 1277 (Fed. Cir. 1995).

Defendant's only remaining argument in support of its construction is that plaintiffs disclaimed coverage of helical springs in prosecuting claim 8. This assertion is unsupported by the prosecution history. In the correspondence regarding the patent application, neither the examiner nor plaintiffs made any reference to helical springs. Moreover, the patent examiner emphasized in its first office action that the leaf springs and spring blades disclosed in other claims were well known equivalents of the spring means used in the prior art, which happened to be helical springs. Defendant's contention that the examiner switched her position on this point at the urging of plaintiffs is without support in the record; the examiner never indicated that she had reversed her position on the equivalency of these structures and plaintiffs never argued that she should do so. Defendant cites two passages in plaintiffs' first amendment to the parent application in which plaintiffs refer specifically to leaf springs and spring blades in distinguishing their claims from the prior art. These passages are quoted out

of context. They were made in defense of the precursors to claims 1 and 6, neither of which include the term "spring assembly," and they have no bearing on claim 8.

Defendant's proposed construction of claim 8's "formed on" limitation to mean "created in contact with or made an integral part of" is based on the dictionary definition of the word "form." According to defendant, the spring assembly in its accused device is not "formed on" the carriage assembly under this definition. Defendant does not explain exactly how it reaches this conclusion; the biasing spring in its device is certainly in contact with the carriage assembly and made an integral part of that structure. See Figs. A and B, pp. 10 and 11. Defendant emphasizes that the helical spring is not attached to or molded to the carriage assembly, but these requirements are not part of the dictionary definition defendant purports to rely on. In any event, the "formed on" requirement of claim 8 applies to the "spring assembly" of the accused device, not just the helical spring. By defendant's own definition, assembly means a collection of parts fitted together to form a whole. In the accused device, the helical spring is fitted together with a finger, which holds it in place and enables it to function. The term "spring assembly" covers both components, meaning that the spring assembly is molded to the carriage assembly.

The parties have introduced conflicting expert testimony interpreting the "spring assembly formed on said carriage assembly" language. Because the meaning of these terms is discernible from the patent record, recourse to extrinsic evidence is inappropriate. See Vitronics, 90 F.3d at 1585. Defendant makes one final argument on this point, asserting that the construction of this limitation proffered by plaintiff and now adopted by this court renders claim 8 unpatentable over the Mori prior art, because Mori disclosed a carriage assembly that included a similar spring assembly. Although it is true that this

particular claim limitation teaches on the Mori device, Mori lacks several other elements of claim 8, including a means to bias the carriage assembly to an inoperative position. The patent examiner recognized this point repeatedly. It disposes of defendant's argument.

2. Biasing carriage assembly to inoperative position

Claim 8 requires that the spring assembly discussed above be formed on the carriage assembly "for biasing said carriage assembly to an inoperative position on said rail assembly." This limitation is incorporated through similar language in the other dependent claims of the '001 patent as well. Defendant interprets the limitation as requiring that the spring assembly be structured to influence, or move, the entire carriage assembly; plaintiffs argue that it requires the spring assembly to be structured to withdraw the blade from the cutting surface, even if only a portion of the carriage assembly is moved in the process. This dispute centers on the meaning of the term "biasing," or "bias." If its means to influence directionally, defendant's interpretation is correct. If it includes altering or reconfiguring in a more general sense, plaintiffs prevail.

Citing Webster's New Twentieth Centruy Dictionary (2d ed.), defendant contends that the ordinary meaning of the verb bias is "to incline to one side" or to "give a particular direction to." The patent language supports this definition. The claim requires that the spring means bias the carriage assembly "to an inoperative *position*" (emphasis added). The implication is that, in being biased, the carriage assembly is actually repositioned, or moved to a different location. Similar passages are found in the specifications: "The trolley includes a spring assembly for biasing the carriage assembly to a storage position

on the rail assembly." Col. 2, lns. 1-3. "When released, the springs 48 will bias the carriage assembly upward to clear the blade from the paper." Col. 4, lns. 12-14. Both of these statements use "bias" to mean influence directionally, implying that the entire object being biased changes locations. The use of the term throughout the patent prosecution is consistent with this definition. In the first amendment and response, plaintiffs described the springs in the Spaulding prior art as "bias[ing] the entire rail to an inoperative position." The patent examiner responded to this argument in the second office action by pointing out that "[i]n Spaulding, the carriage assembly is biased to an inoperative position . . . even though the rail assembly is biased as well."

Nowhere is the work "biased " used to denote the reconfiguration of the biased object, whereby portions of the item are moved and portions remain stationary, rather than the complete relocation of the object. Nor do plaintiffs provide a definition for the term that supports their position. Seemingly accepting the definition of bias advanced by defendant, plaintiffs contend that if they had intended claim 8 "to require biasing of the entire carriage assembly, that is what the claim language would have said." Pls.' Mem. Opp. Summ. J. at 20. However, the corollary of this argument rings with greater force: if plaintiffs had wanted the claim to include biasing of a portion of the carriage assembly, they should have specified as much. It is more logical to assume that when a general reference to an object is unqualified by "entire" or "partial," the reference is to that object as a whole.

The language in claim 8 disclosing a "spring assembly formed on said carriage assembly for biasing said carriage assembly to an inoperative position on said rail assembly" teaches that the spring assembly be configured to provide a directional influence to the entire carriage assembly. Because

the undisputed facts reveal that defendant's accused device does not include a spring assembly that can exert such directional influence, that device does not literally infringe claim 8 or its dependent claim 9.

B. Doctrine of Equivalents

An accused product that differs from a patent claim and does not infringe literally can infringe the patent nonetheless under the doctrine of equivalents "if its difference from the claim is insubstantial from the perspective of one of ordinary skill in the relevant art." Athletic Alternatives, 73 F.3d at 1581. An equivalent exists if an individual familiar with the relevant technology would have known that the substituting ingredient in the accused device was interchangeable with the ingredient disclosed in the patent. See Warner-Jenkinson Co. v. Hilton Davis Chemical Co., 117 S. Ct. 1040, 1047 (1997) (citing Graver Tank & Mfg. Co. v. Linde Air Products Co., 339 U.S. 605, 609 (1950)). In Warner-Jenkinson, the United States Supreme Court discussed the doctrine of equivalents at length and reaffirmed its vitality. To ensure that a patent's coverage is not extended beyond the scope of its claims, the Court held that the doctrine of equivalents must be applied to each limitation of a claim rather than to the invention as a whole. Id. at 1049. Therefore, an accused device must embody all of the elements of the relevant patent or provide an equivalent to those elements that differs from the claim only insubstantially. Although no specific formula exists for determining whether two elements are equivalent, the "function-way-result" test is the test most often used when analyzing mechanical devices. See id. at 1054. Under this test, an element of the accused device is equivalent if it performs substantially the same function, in substantially the same way, to produce substantially the same overall result. See Dolly, Inc. v. Spalding & Evenflo

Companies, 16 F.3d 394, 397 (Fed. Cir. 1994).

Plaintiffs may prevail on their infringement action under claim 8 and 9 under the doctrine of equivalents if they demonstrate that the helical spring biasing mechanism of the accused device performs substantially the same function, in substantially the same way, to produce substantially the same result as the biased carriage assembly element disclosed in those claims. If this equivalence is established, plaintiffs may prevail under claims 1, 2, 5 and 6 as well by demonstrating additionally that defendant's helical spring is equivalent to the leaf spring and spring blade elements disclosed therein. However, defendant does not challenge plaintiffs' ability to make these equivalency showings in this motion for summary judgment. Instead, defendant contends that the doctrine of prosecution history estoppel precludes plaintiffs from asserting any equivalency infringement on the basis of these elements of the '001 patent.

The doctrine of prosecution history estoppel, also known as "file wrapper estoppel," limits infringement actions against otherwise equivalent structures. The theory behind prosecution history estoppel is that a patent holder should not be allowed to enforce its patent under the doctrine of equivalents to cover subject matter that it surrendered during prosecution to obtain allowance of its claims. See Pall Corp. v. Micron Separations, Inc., 66 F.3d 1211, 1218 (Fed. Cir. 1995); Hoganas AB, 9 F.3d at 951-52. Estoppel applies only if the purpose of the surrender was to avoid prior art or address similar patentability concerns. See Warner-Jenkinson, 117 S. Ct. at 1049 (rejecting arguments that any surrender of subject matter during prosecution precludes recapturing of that matter, regardless of the reason for the surrender). Application of prosecution history estoppel is a question of law. See American Permahedge, Inc. v. Barcana, Inc., 105 F.3d 1441, 1446 (Fed.

Cir. 1997).

In Warner-Jenkinson, the Supreme Court addressed a situation in which the prosecution history did not reveal the reason for the claim amendment at issue. The court held that in such instances, a presumption arises "that the PTO had a substantial reason relating to patentability for including the limiting element added by the amendment." Id. at 1051. The patent holder can overcome the presumption by demonstrating that the purpose of the amendment was unrelated to patentability. Id. at 1054. In establishing this rebuttable presumption, the court sought to "give[] proper deference to the role of claims in defining an invention and providing public notice, and to the primacy of the PTO in ensuring that the claims allowed cover only subject matter that is properly patentable in a proffered patent application." Id. at 1051.

1. Biasing said carriage assembly

To show infringement of any of the claims of the '001 patent, plaintiffs must demonstrate that the spring assembly in the accused device, which biases the portion of the carriage assembly holding the cutting blade, is equivalent to the common element of claims 1, 6 and 8 requiring specific spring means "for biasing said carriage assembly." However, this language did not appear in the original version of claim 1, which disclosed a means "for biasing said cutting blade." During prosecution of the patent, plaintiffs amended claim 1 by, among other things, replacing the original limitation which the phrase "for biasing said carriage assembly." According to defendant, this action stops plaintiffs from arguing that a device in which the cutting blade is biased is equivalent to a device in which the entire carriage assembly is biased. Although the amendment on which defendant relies is unique to claim 1

(neither claims 6 nor 8 ever included reference to a biased cutting blade), defendant argues persuasively that the estoppel consequences of claim 1, if any, should extend throughout the patent to provide for consistent interpretation of claim terms. See American Permahedge, 105 F.3d at 1446 (Fed. Cir. 1997).

The patent examiner rejected claim 1 as originally proposed as being unpatentable over Mori in view of Spaulding. (Additionally, the examiner raised several minor "indefiniteness" objections to language in claim 1 that are not relevant here.) Specifically, the examiner noted that Spaulding discloses a paper cutter with spring means for biasing the cutting blade. In the same office action, the examiner rejected proposed dependent claim 9, which disclosed a biased trolley, noting that Spaulding disclosed a means for biasing the trolley. In their first amendment and response, plaintiffs made several changes to claim 1, one of which was the substitution of "biasing the carriage assembly" for "biasing the cutting blade." However, in defending the patentability of its newly amended claim, plaintiffs made no reference to the switch from "cutting blade" to "carriage assembly." Instead, plaintiffs emphasized that the Spaulding invention required the operator to depress the entire biased rail assembly in order to cut paper. In the second office action, the patent examiner rejected the amended claim 1, explaining that Spaulding disclosed a biased carriage assembly as well.

This patent history gives no indication why plaintiffs amended claim 1 by substituting "carriage assembly" for "cutting blade." The amendment did nothing to distinguish over the Spaulding prior art, in which the entire rail assembly was biased. It was clear from the first office action that such an amendment would be irrelevant vis á vis the examiner's prior art objection, given her statement regarding proposed claim 9 that Spaulding disclosed a biased trolley; under the patent

specifications, the trolley constituted the primary component of the carriage assembly and, because it supported the remaining components, could not be biased without biasing the entire carriage assembly. The amendment does not address any of the minor indefiniteness objections made by the examiner.

Because the patent record provides no explanation for the amendment, defendant contends that estoppel should be presumed under Warner-Jenkinson. I am not so certain. Underlying the Supreme Court's decision in creating the presumption was a deference to the role of the Patent and Trademark Office in controlling the scope of claims and the premise that the PTO had ordered the amendment at issue. See Warner-Jenkinson, 117 S. Ct. at 1051 ("the court should presume that the PTO had a substantial reason related to patentability for including the limiting element added by the amendment"), 1054 (presumption overcome "if the patent holder demonstrates that an amendment *required* during prosecution had a purpose unrelated to patentability") (emphasis added). (I note that the account of the prosecution history in Warner-Jenkinson does not specify that the PTO recommended the specific limitation adopted. Id. at 1050).

It is questionable whether the presumption should be triggered by an amendment so detached from the objection of the patent examiner as is the case here. Even if the presumption did lie, the burden on plaintiffs to rebut it would not be as onerous as defendant argues. The Federal Circuit has instructed courts to approach such determinations with careful discretion, balancing "the importance of public notice and reliance on the prosecution history, as well as the need for fairness to the patentee." Hilton Davis Chemical Co. v. Warner-Jenkinson Co., 114 F.3d 1161, 1163 (Fed. Cir. 1997), on remand from Warner-Jenkinson, 117 S. Ct. 1040. Citing the concurring opinion of Justice Ginsberg in Warner-Jenkinson, the Federal

Circuit urged particular caution in cases such as this where the patent was prosecuted and issued before Warner-Jenkinson was decided, with the applicant and examiner unaware of the presumptions that might arise from any unexplained amendments. See Hilton Davis Chemical, 114 F.3d at 1163; see also Warner-Jenkinson, 117 S. Ct. at 1055 (Ginsberg, J., concurring) ("The new presumption, if applied woodenly, might in some instances unfairly discount the expectations of a patentee who had no notice at the time of patent prosecution that such a presumption would apply.")

Plaintiffs find themselves in exactly the position anticipated by Justice Ginsberg and the Federal Circuit: unable to come up with evidence explaining why they amended claim 1 by substituting "carriage assembly" for "cutting blade." Apparently because they are without recourse to the testimony of the lawyer who prosecuted the patent, plaintiffs have submitted the averments of the inventor that it was his "understanding" that the amendment was intended to de-emphasize the cutting function of the invention, which was capable of being fitted with blades that perforated and scored paper as well. Boda Aff. ¶¶ 9-12. In addition to the questions regarding this witness's personal knowledge regarding the amendment decision, this justification is severly undercut by the fact that claim 1, as amended and issued, maintained as a specific element a "circular cutting blade." Additionally, the term "cutting blade" as used in the specifications refers to all of the interchangeable blades, including the perforating blade. Col. 3, lns. 59-66.

However, plaintiffs' inability to demonstrate exactly why they adopted this amendment is offset by the strong evidence in the prosecution history that the amendment did not relate to patentability. As discussed above, the examiner emphasized that her prior art objections were based on the

Spaulding spring mechanism, which biased the entire rail assembly, including the carriage assembly and cutting blade. Contrary to defendant's suggestions, there is no suggestion in the record that the examiner required plaintiffs to distinguish their device from the partially biased carriage assembly of Mori. In fact, understandably influenced by the fact that the bias in the Mori device was to an operative rather than inoperative position, the examiner did not even refer to the fact that Mori disclosed a biased cutting blade. The examiner's prior art rejection in the first office action of the biased trolley in dependent claim 9 makes it unreasonable to infer that the switch to a biased carriage assembly in claim 1 was intended to avoid that same prior art. The facts that the examiner said nothing in the first office action to prompt or solicit this particular amendment and that the first amendment to claim 1 included several other technical changes are further evidence to an observer of the prosecution history that the dropping of the biased cutting blade reference did not go to patentability.

Because the prosecution history was sufficient to inform the reasonable public that the amendment to claim 1 substituting "carriage assembly" for "cutting blade" was not to avoid prior art or for any other patentability consideration, I conclude that plaintiffs are not estopped from pursuing their infringement action as to this element under the doctrine of equivalents. See Instituform Technologies, Inc. v. Cat Contracting, 99 F.3d 1098, 1107-08 (Fed. Cir. 1996) ("[T]he standard for determining what subject matter was surrendered is objective and depends on what a competitor, reading the prosecution history, would reasonable conclude was given up by the applicant."). This result is consistent with the recent directives of the Supreme Court and the Federal Circuit that prosecutorial estoppel determinations account for the patent's notice function. See Warner-Jenkinson, 117 S. Ct. at 1051; Hilton Davis, 114 F.3d at 1163. I note that this conclusion

applies equally to plaintiffs' equivalency arguments regarding the identical elements of claims 6, 8 and 9.

2. Equivalency of defendant's helical spring

It is undisputed that the accused device does not literally infringe claims 1, 2, or 5, which discloses a biasing means comprising "a pair of leaf springs mounted on said carriage assembly," or claim 6, which discloses "a pair of spring blades formed on said carriage assembly for supporting and biasing said carriage assembly." However, plaintiffs seek to establish that the helical spring assembly in defendant's device is the equivalent of the disclosed leaf springs and spring blades. Defendant asserts that plaintiffs are estopped from pursuing equivalency arguments as to these claim elements because they were added by amendment during the prosecution of the '001 amendment.

Defendant contends that plaintiffs disclaimed all coverage of helical springs by asserting limitations specifying blade and leaf spring structures. Prior to these amendments, the claims disclosed a "means for biasing" without specifying whether that means utilized a spring. According to defendant, these added limitations were necessary and intended to distinguish plaintiffs' invention from the helical spring structures of the Mori and Spaulding prior art. This argument is a non-starter. Claim 8 of the same patent discloses a device nearly identical to those taught in claims 1 and 6, the primary distinction being the disclosure of a general "spring assembly" in claim 8 in place of the blade or leaf springs specified in 1 and 6. Because the "spring assembly" limitation in claim covers defendant's helical spring structure literally (see above), it would be illogical to conclude that in prosecuting the patent plaintiffs surrendered coverage of such structure, let alone that

such surrender was necessary to patentability. Further, as discussed above, the prosecution history reflects an understanding between the examiner and plaintiffs that the helical springs of the prior art and the blade and leaf springs disclosed in the '001 patent were "a well-known and equivalent biasing means."

In support of its position, defendant identifies two passages in plaintiffs' response to the first office action. In those passages, plaintiffs defended the patentability over prior art of two dependent claims, the limitations of which were later adopted as the spring structures in claim 1 and 6. The passages identified by defendant, along with their appropriate context, read as follows:

> Claim 4 depends from claim 3 and includes a trolley having a pair of leaf springs which provide both a support for the carriage on the rail as well as biasing the trolley to the inoperative position.
>
> * * *
>
> Claim 9 has been rejected as being unpatentable . . . over Mori in view of Spaulding. . . . [I]t should also be noted that Spaulding only shows a pair of springs for biasing the track away from the cutting board. . . . There is no disclosure in Spaulding of a pair of spring blades formed on said trolley and aligned in the inside of the rail for supporting the trolley for sliding movement in the rail as well as biasing the trolley to a neutral position.

It is clear from these passages that, in distinguishing over prior

art, plaintiffs did not rely on the fact that their claims disclose blade and leaf springs rather than helical springs. Plaintiffs' emphasis is on the location of the springs: that they are attached to the trolley and bias that trolley vis á vis the rail, rather than that they bias the entire rail. By amending independent claims 1 and 6 to include limitations similar to those described above, plaintiffs were disclaiming biasing means that act on the rail as a whole; they were not disclaiming helical springs. See Black & Decker, Inc. v. Hoover Service Center, 886 F.2d 1285, 1295 (Fed. Cir. 1989) (prosecution history estoppel bars equivalency claims against matter specifically surrendered by amendment, not every equivalent claim based on amended elements).

Because the spring structure amendments to claims 1 and 6 did not surrender equivalency coverage over the helical spring assembly of the accused device, plaintiffs will be allowed to pursue their infringement actions under claims 1, 2, 5 and 6 under the doctrine of equivalents.

ORDER

IT IS ORDERED that defendant Hunt Manufacturing Company's motion for summary judgment is GRANTED with respect to plaintiffs Fiskars, Inc. and Fiskars OY AB's claims of literal infringement of claims 8 and 9 of the '001 patent and is DENIED in all other respects.

Entered this 30th day of March, 1998.

BY THE COURT:

_____

BARBARA B. CRABB
District Judge

NOTE: Pursuant to Fed. Cir. R. 47.6 this order is not citable as precedent. It is a public order.

United States Court of Appeals for the Federal Circuit

98-1560, -1566

FISKARS, INC. and FISKARS OY AB,

Plaintiffs-Appellees,

v.

HUNT MANUFACTURING CO.,

Defendant-Appellant,

and

JOSEPH F. POSILLICO,

Sanctioned Party-Appellant.

ORDER

A combined petition for panel rehearing and rehearing en banc was filed by the defendant-appellant, Hunt Manufacturing Co., and was referred first to the merits panel that heard the appeal. Thereafter, the petition for rehearing en banc was referred to the circuit judges who are in regular active service;

Upon consideration thereof,
IT IS ORDERED THAT:

(1) The petition for rehearing is denied.

(2) The petition for rehearing en banc is denied.

The mandate of the Court will issue on October 17, 2000.

Circuit Judge Linn did not participate in the vote.

FOR THE COURT,

OCT 10 2000

Jan Horbaly
Clerk

cc: Joseph F. Posillico, Esq.
Kevin R. Casey, Esq.
David J. Harth, Esq.

cited as disclosing a paper cutter including a spring means for biasing a cutting blade 45 to an inoperative position on rail assembly 10. However, Spaulding discloses a pair of fixed blades 45 mounted in a cap member 70 which is mounted on a guide rail 10. A pair of springs 23 bias the entire rail 10 to an inoperative position. The entire rail must be pushed down to hold the paper in position with the cutting blade 45 depending in a recess 81. The cutting blade assembly is then pushed transversely across the rail. To incorporate the teaching of Spaulding into Mori would require a complete restructuring of the Mori disclosure, since the rail 35 of Mori is pivotally connected at one end to the rail support 41 and calls for a set of springs to hold the blade in the operative position. Claims 1 and 10, as amended, call for a longitudinally extending rail assembly mounted on the cutting board for pivotal movement about the longitudinal axis of the rail assembly. A carriage assembly is mounted on the rail assembly which is biased to an inoperative position on the rail assembly. The carriage assembly is pushed down by the operator to move the cutter blade from the inoperative position to the operative position for cutting or trimming the paper sheet. The factual inquiry set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 U.S.P.Q. 459, 467 (1966), must be applied to establish a background for determining obviousness.